

AFTERNOON SITTING

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Calvert: — Mr. Speaker, pursuant to rule 11, I rise today to present a petition with yet another 3,929 residents of Saskatchewan opposed to the lottery tax. And, Mr. Speaker . . .

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, that brings the total of the number of signatures that we have presented in this House in their very short period of time to 10,929 signatures — 11,000 signatures.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, these petitioners come from every part of our province. These petitioners recognize that this lottery tax is going to hurt sport, culture, and recreation in this province. They recognize that charities are suffering because of this tax. They recognize that we wouldn't have the athletes in Saskatoon, Mr. Speaker.

The Speaker: — Order, order.

Some Hon. Members: Hear, hear!

The Speaker: — I believe the hon. member is not being as succinct as he should be when presenting a petition. I ask him to just present the petition.

Mr. Calvert: — Mr. Speaker, these petitioners from all across Saskatchewan most of all recognize that they're being taxed to death by a government whose own spending . . .

The Speaker: — Order, order. What I'm going to ask the hon. member is to simply present the petitions without any further comment.

Mr. Calvert: — Mr. Speaker, I am pleased to present these petitions to the House.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Possible Conflict of Interest

Mr. Anguish: — Thank you, Mr. Speaker. My question is to the Deputy Premier. Mr. Deputy Premier, I have here a certificate of title for property located at 101 Burrows Avenue West in Melfort, which is property that has been owned since at least 1975 by Hodgins Management Inc. And I have here a certificate of incorporation that shows that the member from Melfort is a director and listed as a partner in Hodgins Management Inc. We also have a list of the properties owned and leased by the property management corporation in the province of Saskatchewan, and it's been drawn to our attention that this property that is owned by the member from Melfort

has been receiving compensation from the Crown.

I want to know, Mr. Deputy Premier, whether or not the member has made you aware that he is personally profiting from a government contract, and do you perceive this as a possible conflict of interest, Mr. Deputy Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Well of course, Mr. Speaker, I have no knowledge of anything that the hon. member has just raised, but I'd be happy to look into it, Mr. Speaker, and report back to the legislation.

Mr. Anguish: — Well a new question to the same member, Mr. Speaker. I have sent you over the documents that I referred to, Mr. Deputy Premier, and we want you to know that the building is owned by the member from Melfort . . .

The Speaker: — Order, order. I'm going to . . . before the hon. member begins I'm going to bring to his attention once more that if the hon. member requires further information relating to his original question, then I feel that he just simply ask for the further information to be brought to the House by the minister and not ask further questions of it. As we know, this causes problems during our question period, as we've experienced before.

The member for Quill Lakes who has many times been warned about his interference with the authority of the Chair, and is once more doing so, now I'm going to ask you to rise and to apologize, and I expect that it will be done in a parliamentary manner. And I will give you this one opportunity only.

Mr. Koskie: — I apologize, Mr. Speaker, if that's parliamentary.

The Speaker: — Order, order. Now I'm going to ask you, sir, and you will do it once more. If you don't do it — order — please be seated. please be seated. If you don't do it in the proper manner, I will name you.

Mr. Koskie: — I apologize, Mr. Speaker.

Mr. Anguish: — I have a new question for the Deputy Premier, and it concerns conflict of interest legislation in the province of Saskatchewan. I want to know from you, Mr. Deputy Premier, that we have here a copy of the member from Melfort, of his declaration and conflict of interest. I want . . .

The Speaker: — Order, order.

Mr. Anguish: — I want to send across to you also a copy of the member from Melfort's conflict of interest declaration. Mr. Minister, you will see in section D-2 of the conflict of interest, where the member is required to give full particulars of member's business or subsidiaries, that they had a right to become a party to or a beneficial interest in a government contract. The member from Melfort listed none. Even though the member owns this building, he leases it to one other business man who in

turn leases it to the government.

That, Mr. Deputy Premier, I submit is an interest to the member, and I would ask you this: when a building is owned by a company of which he is the sole shareholder, where the space is rented by a Crown agency, the Department of Justice, would you not agree that the member is beneficially interested in a government contract? And I will send this across to you, Mr. Deputy Premier.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. I would certainly like to clarify this for the hon. member opposite, and I would firstly say to the hon. member, if you will examine my conflict of interest form where I have outlaid, as has to be done by law in this province, any conflictual matters or any properties owned or any areas where there may be real or perceived conflict, you will find that it is there in its entirety.

I would give you just a brief history of the following facts, sir. Over the years, I and members of my family have owned a number of commercial properties. They have been rented to the federal government. They have been rented to the Bank of Montreal, as a matter of fact; they have been rented to Saan Stores, and indeed over the years my father has rented some space, some limited amount of space, to the provincial government. In fact under this government he lost a lease or two. And I'll tell you, you didn't raise any conflict of interest there, and neither did my father.

In this particular instance . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — In this particular instance there was some vacant space, some vacant space in this building. I do not have the time nor the inclination to be running around trying to find a renter . . .

The Speaker: — Order, order. The hon. members are interfering. let me just say this. A serious question has been raised regarding the hon. member. I will give that hon. member the time he needs to explain his position.

Hon. Mr. Hodgins: — In this particular instance there was some vacant space in a building that I purchased from my father. I subleased that space to an individual. I could not and would not tell that individual when he subleased my space that he could or could not rent to this person or that agency. And in fact there is, to a person whom I subleased that space to, he in fact does sublease to the government.

I will challenge the hon. member, if that is conflict of interest, please go ahead and make your case. And I will stand here and say, if after thorough investigation there is one iota of impropriety, I say, sir, to bring that forth here and we will let the people be the judge; I will let the Premier be the judge of whether there is any impropriety whatsoever.

Some Hon. Members: Hear, hear!

Mr. Anguish: — I have a new question, Mr. Speaker . . .

The Speaker: — Order. order. The member from Meadow Lake, order. And the members on the opposite side, order. All members just all the question period to proceed.

Mr. Anguish: — I have a new question, Mr. Speaker, for the Deputy Premier. Mr. Deputy Premier, in section D-2 of the conflict of interest declaration, it asks if there's any interest in any contract by the government. The member from Melfort said, none.

Now, Mr. Deputy Premier, in section 5 of the conflict of interest legislation it states that if a member, and I quote:

is, or has a right to become, in his personal capacity, a party to or beneficially interested in . . . (a government contract, he is participating in that contract and is therefore in contravention of the Act).

Now would you not agree, Mr. Deputy Premier, that this applies to the minister and therefore it would seem to be a conflict of interest. And we're asking you to make that determination. This is what the evidence appears to be at the current time. We're asking you about the conflict of interest that could be potentially here.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I have from time to time seen this particular member and his interpretation of the evidence at odds with the facts, Mr. Speaker. So as I've said, I think that the hon. member for Melfort has set — and I expect that from that member — but I think he has set out in a very forthright way what the situation is. I am quite prepared, Mr. Speaker, as I said on the first question, to take a look at the allegations made by the member opposite and report back to this Chamber.

The Speaker: — Order, order. Would hon. members come to order.

Mr. Anguish: — New question, Mr. Speaker. We know all about the excuses and the accusations that your government makes in the face of some things that appear to be facts that would possibly be a conflict of interest. Now your . . .

The Speaker: — Order, order. I'm going to once more have to ask the hon. members to contain themselves. They obviously have strong feelings; however, the member from The Battlefords has the floor and he does have the right to put his question.

Mr. Anguish: — Now — Mr. Speaker, thank you — Mr. Deputy Premier, if you're not prepared to take any action to look into this, we'd at least like you to extend a courtesy to the taxpayers of this province. We're just doing our job in terms of protecting the public interest by pointing out things that are irregular or seen to be irregular in a possible conflict of interest situation with one of your members.

If you're not willing to act, will you at least appoint

someone or some group to independently look at the potential conflict of interest that we've brought to your attention here in this legislature this very afternoon.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I think this will be the third time that I said I'd be very happy to look into the allegations made by the member opposite. I find it just a little, just a little hypocritical that that member who very recently amended his own conflict of interest form in the Clerk's office to include some Saskoil shares that he'd held for some time, Mr. Speaker, I find it very interesting that that member raises this question.

I find it ever more interesting, Mr. Speaker, I find it even more interesting that after hearing the explanation from the member opposite, that he would continue to grandstand in an attempt to grab a cheap headline. Mr. Speaker, there can be no other motive, no other motive than to personally try to discredit an hon. member, Mr. Speaker.

Some Hon. Members: Hear, hear!

Head Tax for Casinos

Mr. Kowalsky: — Thank you, Mr. Speaker. My question is to the Minister of Finance, or whoever it is that's take over his job.

The Speaker: — Order, order.

Mr. Kowalsky: — Mr. Minister, I have here with me a letter from the manager of a casino at the Prince Albert exhibition, and it's stating that although the agricultural exhibition board reluctantly will comply with your government's 10 per cent tax on lotteries, the other component of your latest tax grab, the \$5 per-person per-day head flat tax is totally unacceptable.

And he states in his letter, and I quote:

The currently proposed flat tax of five dollars (\$5.00) will without question have a devastating effect on the operations of Saskatchewan Agricultural Exhibitions and, in specific, reduce our Casino operations (including an appropriate portion of our Casino payroll) by somewhere between fifty to seventy per cent (50% — 70%).

Is it your government's contention that the double taxation is so important that you will impose it at the risk of a substantial loss of employment and of a major loss of funding to our agricultural exhibition boards, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well, Mr. Speaker, I find it interesting that the member is raising a concern about a tax that has not gone into effect yet. I also pointed out to the member who has asked this question on several occasions . . . I've already pointed out to the member who's asked this question on several occasions, Mr. Speaker, that consultation meetings were held with the

exhibition boards with regard to casinos, and all of the exhibition boards in the province were asked to make presentations with regard to how they would like to see the hospital tax implemented.

Now I think we received, Mr. Speaker, one proposal. It was also the suggestion, Mr. Speaker, of some of the exhibition boards that a head tax should in fact be charged, and they felt that this could be the best way to go — a combination of a head tax along with a tax on the net revenues. That in fact then is the way in which the hospital tax is being implemented.

Mr. Kowalsky: — A new question, Mr. Speaker. Mr. Minister, I would ask you that you consider this right now as a representation, a representation on behalf of the exhibition agricultural boards across the province who, like everybody in the province, sees your lottery tax as being totally unfair. And the request is, Mr. Minister, will you at this time prepare to write a letter to these boards and say that you will not charge a \$5 per person per day flat tax?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, for the member opposite to indicate that the majority of people in Saskatchewan are opposed to the hospital tax is totally inaccurate. We heard in this House just two or three days ago the Minister of Parks, Recreation and Culture indicate on the survey that had been taken with regard to the hospital tax, that over 70 per cent — over 70 per cent — of the people in the province were in favour, in fact, of the hospital tax. So that's totally inaccurate.

We will not be withdrawing the tax, Mr. Speaker. We will be monitoring it after it goes into effect and see in fact how it does impact on exhibition boards.

Mr. Kowalsky: — I have a new question to the minister, Mr. Speaker. I want to address, Mr. Minister, the problem of Del Anderson of Prince Albert, a man who sells Nevada tickets for a company, a non-profit company called Legs Unlimited, in order to raise money for motorized, three-wheeled wheelchairs that he rents to handicapped people on a non-profit basis. The cost of a package of a Nevada tickets increased as a result of this tax from \$50 to \$158. As a result, the profit that his company was making has been decreased and he now has had to cut his purchase of scooters in half.

I ask you, Mr. Minister, does it make any sense whosoever for this government which propagandized this tax as something that was going to be used for health tax, for this thing to result in a tax on assistance available to the handicapped people who are seeking an independent living? Is that something that makes sense to your government, because it certainly doesn't make sense to anybody else in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, let me reassure the member opposite that nobody in this province is opposed to the tax going to hospitals — nobody, Mr. Speaker.

I would also point out that with regard to the Nevada tickets or the break-open tickets that the member has raised, we are fully aware of the tremendous asset that the money from these tickets, what it goes for, the tremendous work that's being done by charitable organizations.

There are two things that are going to be happening which will alleviate the problem that the member points out. One, and this is something that we pointed out in our discussions, the consultation meetings that we had, is that the prize with regard to the break-open tickets is going to be reduced. It's somewhere between 73 and 74 per cent. That is now going to be reduced to 70 per cent. The new tickets, the first series, will be on the market, as I understand it, next week. There'll be another one that will be on the market the week after, and another one about the latter part of September. That will mean more funds as far as the charities are concerned.

The second one, Mr. Speaker, is that up until now many of the bingo hall operations — and we must keep in mind that many of these charitable organizations that sell break-open tickets also operate bingos — the charge that bingo hall operators have been imposing on charities when they have come in to operate a bingo and in fact to sell break-open tickets, that that charge is no longer going to be allowed, which will mean more money realized for the charitable organizations.

Some Hon. Members: Hear, hear!

Appeals Regarding Drought Program

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Acting Minister of Agriculture. I see, Mr. Minister, in yesterday's *Leader-Post*, that Mr. Art Laforge, secretary of the drought program Producer Review Committee, states that he doubts that individual appeals would be allowed because, in his words, and I quote:

You'd be opening yourself up to every type of fraud imaginable.

Mr. Minister, is it also your opinion, the opinion of your government, that our farmers are a bunch of crooks and the only reason that they want an individual appeal mechanism is to defraud the federal government?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well, Mr. Speaker, because our government and our Premier and our Minister of Agriculture has some concerns as well about the efficiency, if you like, of the current appeal process for the drought program as we now know it, he, some several days ago, wrote Mr. Mayer a letter outlining some changes that he thought might make the appeal process better. One of those was to allow for individual producer appeals, Mr. Speaker.

I think when this drought question was raised by the hon. member some several weeks ago, I said then if the process didn't look as good as we thought it could be, that our Premier would raise it and work to having it changed. And, Mr. Speaker, once again he has delivered. He is

doing just that, working for changes, better for our farmers and producers across this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Well, Mr. Speaker, I think you and I both know that the Premier stood in his place day after day saying how much he was influencing the drought program and it was going to be here. And then I find it very ironic that after program that he looked at and had something to do with putting in place, he writes a letter saying that something should be changed. The reason he did that, simply because he wanted to be seen as being onside with farmers when he really isn't. And it was just a political move and you know that.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Mr. Speaker, my new question to the minister is that, who appointed Mr. Laforge and his low opinion of farmers? And if it was you that appointed him, you and your government, will you have him replaced? And if it was the federal government who appointed him, will you lobby them to have him replaced?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well, Mr. Speaker, I'm not familiar with who Mr. Laforge is or who he's been appointed by, but I can tell you that our Premier will continue to work for changes, whether it be in the drought program or in any other area that are of benefit to our farmers. And I find it somewhat ludicrous, Mr. Speaker, for the hon. member to suggest that the Premier cannot deliver, because it is this Premier that delivered deficiency payments, livestock drought programs, Mr. Speaker, crop drought programs. this Minister of Agriculture and this Premier has backed up our farmers 100 per cent, Mr. Speaker, and he'll stand by it.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Mr. Minister, can you explain to me why when your Premier was involved in developing the drought program, he allowed a review process to be put in place that was absolutely useless because you have to prove crop insurance figures wrong, and you'll never do that in a hundred years unless it's a special circumstance of miscalculations or something.

But the review process is useless. You know that. He allowed it to go through. Can you explain to me why the flip-flop, why he allowed it to go through and then all of a sudden has to take another stand, that should be individual appeals. Can you explain that to us, please?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, our Premier too recognizes that the appeal process may not be as desirable as all farmers might wish. Because of that he has raised the issue with the federal minister. And it's an important issue, Mr. Speaker, and we ought not minimize the importance of it.

But I would suggest to you, Mr. Speaker, and all hon.

members in this House, that the NDP Party in this province are as phoney as a 30 cent coin, Mr. Speaker, when it comes to ag policy. We have stood in this House, I don't know, Mr. Speaker, but maybe a hundred and twenty days, and the hon. members have either ignored agriculture or if they've raised questions it relates to the stone boat and Massey 44 mentality that they have on agriculture today in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Day after day, day after day we see . . .

The Speaker: — Order, order. Two members from Saskatoon perhaps allow the Deputy Premier to hear the clerk. He just indicated to me he can't hear, so we'll start again.

GOVERNMENT ORDERS

SECOND READINGS

Bill No 49 — An Act to amend The Stray Animals Act

Hon. Mr. Hodgins: — Thank you, Mr. Speaker, I was just busy with something else and I apologize for the hold-up, but I would like to move second reading of Bill No. 49, An Act to amend The Stray Animals Act.

Mr. Upshall: — Thank you, Mr. Speaker. I was just beginning to say that we've looked over the Act and it's time . . .

Some Hon. Members: Hear, hear!

Mr. Upshall: — It's about time that some of these regulations were put into place to make it easier for the cities and the people involved to understand what the Act was really saying. And with that, Mr. Speaker, I would just simply say we'll allow this Bill to go through. You're lucky.

Some Hon. Members: Hear, hear!

Motion agreed to, the Bill read a second time and, by leave of the Assembly, referred to a Committee of the Whole later this day.

COMMITTEE OF THE WHOLE

Bill No. 94 — An Act respecting Representation in the Legislative Assembly

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. I'd like to introduce to you Doug Moen, co-ordinator, legislative services, Department of Justice.

Clause 1

Mr. Upshall: — Mr. Chairman, Mr. Minister, I had some questions about this Bill which I think have been alleviated. But the one question that I would ask you is — and maybe you could just explain to me — does this Act affect in any way the open herd law Act that's in place?

Hon. Mr. Hodgins: — It wouldn't have a major impact on it, no.

Mr. Chairman: — Order, order. If I could have the committee's attention. The Bill before the Assembly is Bill 94.

Mr. Lingenfelter: — Mr. Chairman, I just want to say that the member from Humboldt who was asking question on The Stray Animals Act, he will have to wait a few minutes until we get to it.

Mr. Minister, I want to ask you, the election campaign, when they're on, it may be important to have a stray animal Act in place, but there are some serious overtones of this Bill that I want to get to at this point.

You will know that the discrepancy between various seats in the province — and I do want to talk to you about the example of some of our rural seats that have a very large discrepancy between the very small Conservative seats in the south-west, and I use that as an example, and the very large rural seat of Humboldt. I want to ask you, Mr. Minister, why was it that the constituency of Morse has 7,500 people and the constituency of Humboldt has 12,000?

Hon. Mr. Hodgins: — In answer to the hon. member's commission, I would like to just stress, I'd like to stress very strongly, Mr. Chairman, that these numbers that were applied to each constituency were determined after considerable thought and process and, in fact, public hearings by a three-panel, independent commission of some very highly respected gentlemen in Saskatchewan. You will find that in even the most perfect system you will find some variations and some disparities between the number of constituents in one constituency versus another.

I would like to talk just shortly on some discrepancies, if you like, or variations between the member for Riversdale's riding, for instance, under the previous boundaries where that member had some, oh, I think it was probably close to 22,000 . . . or pardon me, close to 10,000 voters compared with the member just across the city in Saskatoon, the member for Saskatoon Mayfair, who had some 21,600 voters. The answer, sir, is that indeed there are discrepancies, and indeed it is not a perfect world, and indeed under the most perfect system you will have some variations.

And the member has compared the Morse constituency to the Humboldt constituency. Indeed as far as rural constituencies go, that is a variation. But I do remind the hon. member that those variations were determined by the independent commission.

Mr. Chairman: — Order, order. I would just like to ask all members to allow the two members who are recognized to place the questions, rather than asking individual questions.

Mr. Lingenfelter: — Mr. Minister, I want to ask specifically about the Morse constituency. We know that the average median that the constituencies are supposed to be is 10,000. Can you tell me what the explanation is

for having a constituency in rural Saskatchewan at 7,500 people? You've explained that you have some of them lower than the average because of growth, but can you explain why Morse would be set at 7,500? Give me the rationale for that?

Hon. Mr. Hodgins: — I would refer the member back to the 1986 eligible electors under the 1986 provincial general election. And that is, that is quite simply under the former boundaries, if you like, and I believe that framework was established while the NDP were in power. I would trust and assume that your boundaries were set up by an independent commission as well, and I won't get into allegations of whether or not that is fact. But I will look back in previous times, and I think in the Morse constituency in 1986, they had some 7,757 voters. I don't see a major change there. As well, I look at Humboldt, and it was at that time in excess of the average.

So I guess the short answer that I have is that these figures again were determined by the commission. I have not heard your comments, and I would be interested in hearing your comments on your views of that commission, whether or not they acted properly or did not. I feel strongly that they did.

Members on this side of the House certainly did not get everything they wanted from that commission, but that is certainly, certainly the way things work in this world. Members opposite made strong representations to that commission, and on some of those points members opposite were successful in their representations. But I once again stress that over history this has been the case, an independent commission has determined these boundaries, and I feel for the most part done as fair a job as we could expect.

Mr. Lingenfelter: — Well, Mr. Minister, you still haven't dealt with the issue. I'm going to ask you again: I want to know why the constituency of Morse has 7,500 people when the average is supposed to be 10,000. Do you expect growth in the area in terms of population? Because what we've seen over the last couple of years is that that area of the province is actually shrinking in the number of people. Why would you set the number of voters in the Morse constituency at 7,500?

Hon. Mr. Hodgins: — I can only stress to the member that I did not set any of these at any specific number. I did not sit down and analyse what maybe most advantage to the government or to the opposition. I will tell you frankly, had I done that, had I been given the authority to do it, I suspect there would have significant changes, but that was not the case, Mr. Chairman.

I don't think there's a vast difference from the previous record of where those boundaries were. The boundaries did not change. The numbers have not changed dramatically. I once again stress that the commission determined these boundaries. There's nothing terribly extraordinary about the difference in numbers in the Morse constituency today as compared to when you were in power back in 1981. There's really little different.

(1345)

Mr. Lingenfelter: — Mr. Minister, the difference of course is that you're comparing our record at the end of a period before the review. Like 1986 there had been no review. This is the day of the review and the implementation of the review, and you're leaving a discrepancy of over 4,000 people between Morse and Humboldt. That doesn't seem to me to be enforcing the principle of one person, one vote, that is really what should be at stake in a democracy.

I wonder, Mr. Minister, in that light, have you got a legal opinion as to the legality of this Bill? Have you had a legal opinion on this issue of one person, one vote, and whether or not this Bill will actually stand up to a court challenge once the Bill is set in place?

Hon. Mr. Hodgins: — I think the hon. member would know full well that in all pieces of legislation that this government brings forth to this legislature, we would seek guidance and advice from our legal representatives within the Department of Justice. And I say that is nothing extraordinarily. We have indeed done that with this piece of legislation. Our lawyers are . . . The best advice that we have is this, as in any other piece of legislation, will stand the scrutiny of not only the charter of rights or the constitution, but will as well stand the scrutiny of the public of Saskatchewan.

Mr. Lingenfelter: — Mr. Minister, I want to ask you, can you give me the names of the individuals who prepared the legal advice for you.

Hon. Mr. Hodgins: — My advice is that the constitutional branch of the Department of Justice did review this piece of legislation, as they would review many other pieces of legislation, and has given their opinion and their advice and their recommendation that this legislation will stand constitutional scrutiny.

Mr. Lingenfelter: — I wonder, Mr. Minister, if you could be agreeable to tabling the legal opinion here in the Assembly so we could have a look at it and share it. I'm very interested in whether or not we're on solid legal ground. And not having a legal background, it seems to me that there's a very clear opportunity for someone, a resident of Saskatchewan who lives in Humboldt, for example, to say, look, I'm under-represented because I'm one of over 12,000 people in this riding as compared to one of 7,000 in the Morse constituency.

And it would seem to me that there's a good potential of a legal action that could be taken by someone who's under-represented and then we'd get into that hassle. And I just want to be clear here that we have legal opinion that would tell us as members of the legislature that we're on the right ground and on solid ground when this Bill passes.

I wonder if you could table the legal advice that you have on this issue?

Hon. Mr. Hodgins: — The hon. member, having at one time served in cabinet, will remember that it is not the practice of the Legislative Assembly, of government, to provide legal opinions on subjects such as this. And I don't think you could refer in history to where a

government would provide a legal opinion.

I will tell you that you yourself have admitted that you're not a lawyer. I would recommend that you — and I'm not either — but my advice is that that is not the practice. I would think it would serve you well to seek advice from some of the lawyers in your caucus, and I am sure that they will agree that as far as tabling legal opinions, certainly that would be out of order.

Mr. Lingenfelter: — Mr. Minister, that's exactly why I'm asking the question, because the lawyers in my caucus believe this Bill is a sham. It's a PC cover-up to try to win an election and save the hide of the Premier who's in deep political trouble. That's why you have seats in an area where the Conservatives are strong that have 7,000 people in them, in rural Saskatchewan, and in rural Saskatchewan where you're not strong, you have 12,000. That's why we have this Bill.

What I'm asking you is whether or not you have legal opinion that tells you where you're on solid ground. Now your refusal to table the legal opinion tells me one of two things: either the legal opinion tells you you are not on solid ground, or you haven't done it. You haven't done an analysis of whether or not we'll be into a legal challenge.

And I say again that it's very likely that within the next few months we'll be into a legal hassle again that will cost the taxpayers of the province thousands of dollars, probably going to the Supreme Court, simply because you, in trying to hide and protect the Conservative party and trying to maintain an unpopular government by gerrymandering the boundaries of the constituencies, that here again, not unlike Rafferty and the other boondoggles that you people have been involved in in this session, will be once again in the courts with the people versus the government led by the Conservative Party.

And I say to you that here again we'll be spending thousands of dollars with you in court as the minister who piloted the Bill through, and the public challenging you because they feel that you're being unfair and undemocratic.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — I do know that the NDP caucus retains on a fee-for-service basis more than one lawyer. I also know that within the NDP caucus there are at least three lawyers; the value of their opinions or judgements I would very much question. I am advised that there's probably five or six lawyers in the NDP caucus. The value of their judgements and opinions on matters such as this or others, in my opinion, would be very subject to question. However, I would recommend to the hon. member that if indeed he is genuine, if he indeed he feels that this piece of legislation would not withstand the scrutiny or the test of constitutionality, I'd strongly suggest that he seek advice from within his caucus if he can get it, if he would value that advice, or from outside.

I will reinforce that from the government's perspective we have sought, we have sought that advice from lawyers within the constitutional branch of the Department of Justice. It's their opinion, and we do value their opinions,

that this legislation, as any other legislation that we would bring before this House, will stand both the scrutiny of the legalities as well as the scrutinies by the public of Saskatchewan. And I would offer those comments to the hon. member from Elphinstone.

Mr. Prebble: — Thank you very much, Mr. Chairman. Mr. Minister, I want to draw to your attention the fact that when the boundaries were last redrawn, based on the 1978 report, that your allegation that Riversdale and Mayfair were at great discrepancy, somehow to the advantage of the NDP, is completely false. I refer you, sir, to the 1978 report of the Boundaries Commission, which I'll be happy to table the relevant material in the Assembly, but it's well documented; it's already in the library. And I refer you to the size of Saskatoon Riversdale, 9,851 voters. They were basically, Mr. Minister, the same size. There was no massive discrepancy as you suggest. I refer you to the Morse, Humboldt figures: Morse was 8,268; Humboldt was 9,525. Again there was not a large discrepancy.

As you well know, the maximum permitted discrepancy under the Act at that time, Mr. Minister, was plus or minus 15 per cent, and as much as possible, the NDP government of the day ensured that the commission was independent and that the principle of one person, one vote was upheld. Clearly you have violated both those principles, Mr. Minister.

Your claim that your commission was independent, of course is nonsense. You took the Clerk of this Assembly off the boundaries commission and you replaced him with a highly political appointment which was your Chief Electoral Officer.

The final point I want to make, Mr. Minister, on this very important Bill, which I say represents a massive gerrymander in the province of Saskatchewan and a last ditch attempt by your government, sir, to retain political power without the support of the majority of people in this province . . . You know full well that you could lose the election by a large margin in terms of popular vote in the province of Saskatchewan and still win the majority of seats with this gerrymander.

But the other point that I want to draw your attention, sir, is the failure of your public hearings, which I really just consider to be a sham, held with virtually no advance notice in the middle of August when it was impossible for people to meaningfully participate.

But among the many other things that you failed to do with this Bill, Mr. Minister, is that you failed to take account of the communities of interest in many of the urban centres. And I want to use the example of my own riding, the riding of Saskatoon University which, Mr. Minister, as part of your gerrymander, you made a decision to cut that riding in four pieces. And I must say, Mr. Minister, that one of the things that's particularly inappropriate about that is that it then means for any member who chooses to represent the people in that riding, that the question of past service and record of service means absolutely nothing in the next election at all. And you also, of course, cut it in four pieces to try to

create a third seat in the city of Saskatoon where you might have a chance of winning an election.

But, Mr. Minister, in doing so for your own purposes, for your own political ends, you failed to take any account of the community of interest that represents the University of Saskatchewan. The Saskatoon University riding was important because it represented a community of interest in terms of students, faculty members, and people living near the university who have a great deal of interest in the affairs of the university and in its well-being. You broke that community up. And I say, sir, that that's very, very not only inconsiderate, but it's just clearly not in the public interest and in the interests of the people who reside in that constituency.

So I ask you two questions in conclusion: number one, why did you not take account of important communities of interest like the community of interest that the university represents, which Saskatoon University constituency took account of? You've just demolished that riding; you've cut it in four pieces.

And secondly, will you acknowledge that the point I've made about the fact that there was no discrepancy between Saskatoon Mayfair and Saskatoon Riversdale, when the last boundaries review was done, is accurate, and that your claim that there was a great discrepancy is false? Will you acknowledge that, sir?

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. I will be pleased to answer the hon. member's question, but here again I give the preamble and I preface my answer to your question within the context and the understanding that this report and this Bill comes forth as a result of a considerable amount of process, both public hearings that were held throughout the province of Saskatchewan and I'm sure attended by members opposite as well as members on the government side of the House. And I don't think that we in this Assembly should question in the least the integrity of that commission.

(1400)

The member opposite has talked about the fact that there was not the disparities that I had mentioned within some ridings with Saskatoon. I refer the member to the 1986 electoral handbook that lists the number of eligible voters within each constituency. My numbers, if I rounded them off, may be slightly inaccurate, but in round figures I'm not all that far off in saying the member for Saskatoon Riversdale today represents close to 10,000 voters, and the member for Saskatoon Mayfair on the government side of the House represents close to 22,000 members, or 22,000 voters. I would think that that's a fairly accurate assessment, Mr. Chairman.

Now, Mr. Chairman, the hon. member has referred to the fact that this did take place over a period of time, that it did take place because of growth, and I certainly agree with that, that there are significant growth areas in many areas of the province. And indeed your city of Saskatoon, your city of Saskatoon, of which we are all proud, can be deemed as a growth centre.

I believe that a wise and prudent commission would take

note of the growth centre of Saskatoon and of whereabouts that growth may or may not take place within that city of Saskatoon, and therefore allow in these numbers for that growth to take place so that there is not at the end of the day such a wide disparity of variance between constituencies. As an example again, Saskatoon Mayfair and Saskatoon Riversdale. I believe that this is not germane or unique to Saskatchewan, or unique to this particular commission's report. I believe that if you check across the entire country, you will find that these types of arguments, these types of frameworks have been set up in many, many jurisdictions.

Mr. Shillington: — Mr. Minister, for you to compare the boundaries commission in 1976 to '78 with your boundaries commission is grotesque, it is unfair to those who served on that commission, Mr. Minister, and it's very unfair to the public of Saskatchewan.

Mr. Minister, one of the questions I wanted to ask you in due course is how you determined the make-up of that commission and on what basis were they chosen. Mr. Minister, let me by comparison give you the make-up of the commission which gave its interim report in 1979. I am reading from the interim report of the Constituencies Boundaries Commission. The make-up was:

Mr. Justice R. A. MacDonald, a sitting member of the Queen's Bench; the Clerk of the Table, Gordon Barnhart; Dr. John Archer, past president of the University of Regina.

Mr. Minister, that was a commission which was beyond reproach. Your commission is not beyond reproach; indeed it's deserving of reproach.

An Hon. Member: — The membership was agreed to by the opposition.

Mr. Shillington: — My learned friend from Quill Lake correctly points out that the make-up of the commission was agreed upon by all parties. That's accurate. The names were suggested to both Mr. Malone, the then Leader of the Opposition and the leader of the Liberal party, and Mr. Collver, the then leader of the third party. Both agreed upon the names and when the motion was moved in this House to set up that commission it was passed unanimously.

Mr. Minister, you had — I will deal with none other than Keith Lampard — Mr. Minister, you put Keith Lampard on the commission. It is perhaps regrettable, but the Chief Electoral Officer in this province has been a political appointment, in my view, far too long. Mr. Minister, you put Keith Lampard on it, a starkly political animal. I'm not going to deal with the other appointments to the commission, Mr. Minister. Suffice it to say, I think they were all inappropriate. Each and every one of them was an inappropriate appointment.

Mr. Minister, in addition with the quotient, the seats, the population of the seats were established as follows, and let me read from page 4 of the introductory comments signed by Mr. Justice MacDonald. Mr. Minister, the comments were as follows: "The electoral quotient determined under Section 15 was computed to be 9,507 electors.

Following the restrictions set by Section 16 . . .” of the Act which provided that there could be no greater variance than 15 per cent.

And I’m dealing of course, Mr. Minister, with the legislation which was passed in 1976 with that one that provided that it could not vary by more than 15 per cent. As the commission correctly pointed out the maximum size would be 9,500 — the average would be 9,500, the maximum would be 10,900, the minimum 8,000.

Mr. Minister, the vast majority of them did not come anywhere near the . . . You can go through the final report with those figures. There are very, very few which vary by more than 5 per cent. The commission went on to say that they attempted to deal with population shifts. It’s very difficult to do. If there was a complaint about the constituency boundaries by 1986, then, sir, the blame comes directly home to your door. The legislation used to provide that a boundaries commission was mandatory after two elections; it was optional after one. You could have and should have introduced an electoral boundaries commission after 1982. You didn’t because you held all the seats and you couldn’t decide how to divide the spoils. And it’s just about that simple.

Mr. Minister, if you think for a moment that you’re going to pass this off as a fair division of the seats, then you’re sadly mistaken. This is going to be an issue. It’s going to continue to be an issue. It was an issue in 1971 as the member from Riversdale correctly pointed out, and was a factor in that government’s defeat.

I predict, Mr. Minister, that this will continue to be an issue and it will be a negative issue for you. The public, I think, take the position, and rightly so, that when a government cannot live within the ordinary rules of fair play, when you have to amend those rules to give yourself a special advantage, then it’s time to spend some time in the opposition and re-think your role in a democratic government. And that’s, Mr. Minister, what I think the public of Saskatchewan are going to give you the opportunity to do.

Some Hon. Members: Hear, hear!

Clause 1 agreed to on division.

Clause 2

Mr. Chairman: — Amendment to item 2:

Strike out section 2 of the printed Bill and substitute the following:

2 Notwithstanding section 13 of The Electoral Boundaries Commission Act, the Legislative Assembly shall consist of 66 members to be elected to represent the constituencies described in the schedule to this Act.

3 The Representation Act, 1981 is repealed.

Clause 2 as amended agreed to.

Clause 3

Mr. Chairman: — Item number 3 we have a number of amendments:

Amend section 3 of the printed Bill by renumbering it as section 4.

Schedule of the printed Bill. I’ll go through these; there’s four different parts to the amendments regarding constituency boundaries. Number 1:

Amend the Athabasca constituency boundary in the Schedule of the printed Bill at the 5th line, by striking out “150 degrees” and substituting “105 degrees.”

Amendment agreed to.

Mr. Chairman: — Will the committee take the amendments as read?

Amendments agreed to.

Clause 3 as amended agreed to.

Schedule as amended agreed to.

Bill No. 95 — An Act to amend The Electoral Boundaries Commission Act

Clauses 1 to 3 inclusive agreed to.

Bill No. 81 — An Act respecting Rural Municipalities

Mr. Chairman: — I’d ask the minister to introduce his officials.

Hon. Mr. Hardy: — Thank you, Mr. Chairman. Beside me here I have Ken Engel, director of municipal financing; directly on my right here I have Dennis Webster, assistant deputy minister. Behind me on my left I have Walt Manley, municipal adviser. Directly behind me I have Larry Chaykowski, director of finance.

Clause 1

Mr. Koskie: — Thank you, Mr. Chairman. Mr. Minister, I have a number of areas that I want to deal with. In the first section, part one, it deals with a number of definitions. I ask you first of all: has there been any change in respect to the definition of Burgess from the old Act? Do you perceive any problem with the existing definition? I’ll indicate it to you, but would you indicate whether there is any substantial change in the definition of Burgess, and also elector, from the old Act.

Hon. Mr. Hardy: — I believe, Mr. Chairman, in answer to the member’s question, that the elector has been expanded a bit, but it hasn’t changed the meaning of. To expand it, one of the areas is . . . when I say expand it, it simplified it, stating that you must be a resident for six months to be an elector, which it was before meant to be. It wasn’t really defined that way. And a Burgess hasn’t been changed at all. You still have all the rights of a Burgess.

(1415)

Mr. Koskie: — Is there any possible difficulty with the definition of burgess from the standpoint, if you look on page 2, Mr. Minister, it's section 2 and it's on page 2, not (A) but (B) where it indicates:

(B) a resident of Saskatchewan and is the chief executive officer of;
a duly incorporated (co-operative) association that is engaged in farming or a corporation or religious association primarily engaged in farming within the municipality . . .

I guess what I'm asking there: is there a possibility in respect to being . . . I guess it says:

A resident of Saskatchewan and is the chief executive officer . . .

I guess what I'm asking is can shareholders of the company also be entitled to be classified as a burgess?

Hon. Mr. Hardy: — First of all, it's exactly the same as it was in the other Act, so it's just been transposed over to the new Act. And the only way that a shareholder could be, they must be a resident. And if you're a resident of the municipality, then you could be an eligible . . .

Mr. Koskie: — Well is there a possibility though of setting up a dummy corporation and having a lot of individual shareholders qualifying to vote so that you could rig the vote within the municipality. I guess that's what I'm looking at by the definition of "burgess."

Because "voter" includes burgess and elector, and I'm just wondering whether or not there's a potential of using a corporation and having a large number of people associated with it which could in fact determine the vote. My concern may be covered; I'm just wondering whether it is or not.

Hon. Mr. Hardy: — I think, Mr. Chairman, that "must be a resident" will cover that off to most degrees. We were trying to cover that off because of that one problem we had out there before, but we've covered it the best we can under the Act, and we think by having to be a resident will cover that off and will not allow you to do that.

Mr. Koskie: — I'll just run through some of the areas of sections and I think we can pass it much faster that way.

Just to, in respect to section 6, is there any change there? It indicates that:

Every municipality is a body corporate . . .

Is there any change in respect of that. At the present time are they body corporates?

Hon. Mr. Hardy: — That's right. It's the same as they are now — there's no change. **Mr. Koskie:** — And if you would turn to page 117 of the Bill, and we come to the area of "temporary borrowing", and also on the next page, the "long-term borrowing".

I want to ask you whether or not there has been any substantial change in respect to the powers of the municipalities vis-à-vis temporary borrowing and also in respect to long-term borrowing, whether or not there has been any substantial change. I think before there was regulations which in fact prevented municipalities from really running up high deficits. And I want to know whether there's any substantial change which really would allow municipalities to do some deficit financing, and what is the extent of the changes.

Hon. Mr. Hardy: — There is no change in the short-term borrowing. In the long-term borrowing, we allow the municipalities now to borrow up to 5 per cent of their assessment values without approval of the municipal financing board. That's new. They couldn't do that before. In other words you'd be able to borrow to buy some of the smaller items without coming to municipal financing board, but the bigger items, it's the same. So up to 5 per cent of your municipal assessment, you can borrow that much.

Mr. Koskie: — And are there any other restrictions in respect to repayment? In other words, can you continue year after year building up, up to the 5 per cent on long term without the approval? That's what I want to know.

Hon. Mr. Hardy: — No, the maximum is 5 per cent no matter how many years it is.

Mr. Koskie: — And within what period of time is it correct that it has to be paid back any that's borrowed within a time period? I think it's three years. Is that a new provision also?

Hon. Mr. Hardy: — they must pay it back in the three subsequent years, and no debentures or securities can be increased during that time.

Mr. Koskie: — On part four on page 124, I want to ask you here whether or not there are any particular changes in the assessment methods to be used, employed by the municipalities, as set out in the new draft, the assessment and taxation, part four. Are there any essential changes there?

Hon. Mr. Hardy: — I'm told there's no changes from what it is presently now.

Mr. Koskie: — There has been talk, Mr. Minister. I didn't see it in the Act when I went through it, but there was some consideration at least as to limit the total liability of a given municipality; in other words, to a level of \$2 million or X number of dollars. Has that then been included and incorporated in respect to this? Certainly it was one of the recommendations, I believe, of the task force. Have you incorporated within here a limitation as to liability of a given municipality?

Hon. Mr. Hardy: — No we haven't, Mr. Chairman. SARM asked us to not do it. They felt it may increase their liability claim because we would be putting on a minimum amount of claim, a minimum amount and not a maximum in the sense that the 2 million may actually act as more of an increase in cost to them, and not a deterrent.

And they looked back over the years, and they'd had only one major claim in all the years of municipalities, and they asked us not to put it on now. They may come back at a later time, but the reason it's not on there is because of their request not to put it into there. And it's their insurance, so . . .

Mr. Koskie: — Okay. Mr. Minister, there are two or three areas of concern in respect to the present legislation, and the one area dealing with the problem of losing property tax base when Indian land claims are settled. Certainly that has been raised. In the event that a municipality . . . Indian land claim and land is taken from the municipality, a method of providing reimbursement to that municipality as a result of a settlement of Indian land claims. Has any discussion been done in respect to that? Certainly it has been a concern of the R.M.s, and I'm wondering why you have not included a solution to that particular concern of the R.M.s as set out in their presentation.

Hon. Mr. Hardy: — As the member probably knows, we've had a lot of discussions, with particularly some of the areas in the south-east over here where there's a concern about the Indian land claims in some of the R.M.s.

We've been somewhat reluctant to put in any kind of a format, a solution as far as dollars . . . rebate, or whatever the case, whoever you want to classify it, to R.M.s, because it is a federal responsibility. And if we do it, for sure, just absolutely for sure, they'll say, well you're doing it and it's covered now. So we've been negotiating with the federal government as part of their responsibility, believing it's their responsibility that they should reimburse the R.M.s, we think, on a long-term basis, but been ongoing discussions. We have had no solutions to it, and it's not proposed in here because we'd certainly take away the responsibility from federal government if we ever put it into place that we were going to do it.

Mr. Koskie: — There's a couple other areas that the R.M.s are concerned with, and that is the exempting of private schools from taxation. And you have the provision there in section 331 where it specifically indicates:

The following lands and improvements are exempt from taxation: (and) . . .

(c) land and improvements owned and occupied by a registered independent school as defined in The Education Act . . . (and it goes on).

That is a concern because what you have done here is indicated that — dictated in fact — the municipalities that private schools will be exempt from taxation.

I wonder why you have . . . If the minister would go and sit in his desk instead of turning his back; that is, the minister from Weyburn. I'll allow you to get briefed by the mouth . . . I want to continue now, Mr. Minister. I don't think you need the interruption of the Minister of Education.

But what you have done in here is to include within the Act, and you dictated to the R.M.s indicating that in respect to private schools there will be no taxation. And I

want to ask you: why did you include that provision? I suspect what you're doing it for is the plan that the Minister of Education has in which he discussed with our critic the other day, that he has plans for the expansion of private schools. And as a consequence, what has been amended is The Urban Municipalities Act exempting private schools, and also The Rural Municipalities Act, so that they can put into place a private school system across this province. That's exactly the intent of the section here as is set out in the urban and is indicated in the amendments to The Education Act.

And so I'm asking you, Mr. Minister, why are you dictating to the R.M.s in respect and declaring that they have to exempt private schools?

Hon. Mr. Hardy: — Mr. Chairman, I was warned last night by the member from Elphinstone that this might be asked, so I did come partly prepared, or as prepared as I can be on this question.

Right now we have 87 per cent of all private schools in the R.M. are exempt either by legislation as Caronport is, and some of the others, or by the will of the R.M. council. There are 13 per cent left that weren't. They were some of the schools out there that weren't . . . I don't have the names of it, but there were some schools out there that weren't. Part of the reason that this was done was to make it in conjunction . . . so the Department of Education would decide if that school is an eligible school, because R.M.s . . . and in all fairness to them, I was reeve for a long time, we really don't know if they're meeting all the standards of education or not.

To get a better standard out there — it's certainly not in our view to in any way make whether private schools should or should not be. Some of the areas that would probably be looked at is the Hutterite schools and some of those. That's why it was done.

Mr. Koskie: — Well I don't think, Mr. Minister . . . from my information at least, is that it was a request by the R.M.s that you exempt all private schools. Our understanding in discussing the Bill, clearly it was a concern to them that you, as minister, would impose and dictate to them and indicate to them that all private schools henceforth shall be exempt from taxation.

And what I'm saying here, Mr. Minister, why are you in fact dictating? You indicate that there's 13 per cent that aren't taxes, or something to that extent, but that doesn't really answer the question. The question is: why are you taking away further local autonomy from the R.M.s? That's the question that has to be answered . . . (inaudible interjection) . . .

Mr. Chairman: — Order. I'd ask the Minister of Education to allow the member from Quill Lakes to put his question.

Hon. Mr. Hardy: — I was asking my officials what schools may be or may not be — and certainly it's true that it wasn't requested by the R.M.s to in fact have this put in; that's a true fact. It was put in because of what I said, and that's the reason it was done.

The other part is that there is some R.M.s and one . . . and,

I believe, two R.M., 213, that tax a private Mennonite school, and I believe that's the only school in the R.M.s that's taxed. All the other private schools that's out there that meet the regulations, or accordingly do, are not taxed by a different R.M., just to get equity across the province for all the R.M.s the same. We try to be fair in this for everybody.

But certainly, two things: one, it wasn't requested by the R.M.s; and the second part is we just tried to make it fair across the province.

Mr. Koskie: — Well you could call it trying to get equity and fairness, Mr. Minister, but really what you're doing is really decreasing local autonomy in respect to making the decision.

And I guess, as I indicated before, it's not really to get fairness and equity, it's to put into place, Mr. Minister — and you might as well come clean as we tried to get the Minister of Education yesterday to come clean — that there are plans by the Department of Education to further enhance private schools across Saskatchewan. They are in favour of it, and they have set up commissions headed by a former colleague of theirs, Mr. Dirks, and that's why you were requested here to impose your dictates upon the R.M.s against their wishes.

I want to ask you again, Mr. Minister, in another strange dictate from your department, and that is, you have now eliminated the R.M.s' right to regulate store hours. And I was wondering, is this for more equity and fairness too that you take away the rights of the R.M.s to regulate store hours within their jurisdiction?

(1430)

Hon. Mr. Hardy: — First of all, you're correct, it was in the other Act that they could regulate the store hours; and second, that we did take it out. But the third part, Mr. Chairman, to the member, in all the years the R.M. (rural municipality) Act's been in place, they've never, ever asked to have the hours regulated, filed with us, so they've never regulated it. So not one R.M. in the province had ever used that legislative powers they had. So it had never, ever been used, and so it was just taken out.

Mr. Koskie: — Well I guess the question is, if never was used, never was abused, but what you have done is to exempt the right of the municipalities to control store hours. And whether or not it was used, it was within their jurisdiction. And I understand is that they did not request that deletion; the R.M.s themselves did not in fact request it.

In fact the R.M.s clearly indicated that those three areas of concern were raised with you: the store hours; the private school exemption from taxation; and also in respect to loss of revenue as a result of Indian land claims.

So I guess I want to ask you again, Mr. Minister, why are you going against the wishes of the R.M.s, and why are you excluding jurisdiction which they had before and there was no evidence of any abuse whatsoever? In fact you said, never been used.

That's not to say that the future there may not be a need for it, just because it wasn't used in the past. I don't know, it seems contradictory because what you did here is you abdicated your responsibility as a province to regulate store hours in the province, and you passed it off down to the cities, and now what you're doing here is taking it away from the R.M.s. I can have it both ways, minister of no importance.

I want to say, this is what you have done. The province had the right to regulate store hours. It was too hot an issue; they didn't want to handle it. So the Minister of Urban Affairs, he shoved it off into the cities, to the urbans to handle it. Now after he has done that, passed it down to the urban municipalities, you come along and say, well let's take it away from rurals. What kind of logic, mixed-up logic is that? On the one hand he gives it to the urbans and now you take it away. It doesn't make sense. There is no consistency in your argument. There is no consistency. And so what I'm asking you is: why are you taking away the right of the R.M.s to regulate store hours against their particular wishes?

Hon. Mr. Hardy: — Mr. Chairman, I was checking with my officials here, and to the best of our knowledge it has been in there since the Act was written in 1909, which is several years ago.

Two or three things. One, that if SARM and at the conventions or at meetings that we have want it back, and I don't see a big issue, we can always put it back in. I've said to them and I've said to you that if the Act isn't perfect, and I believe it's not perfect — I don't think anything is done perfect — if it's not right, then we'll at the meetings this fall, at the convention in the spring, at the district meetings, if there's a concern raised and approved by both rural municipalities, R.M.A.A. (Rural Municipal Administrators' Association) or the SARM, and councils in general, we'll take a look at it and bring back what's necessary to make the changes.

The second part is that in rural Saskatchewan — and a lot of folks come from rural Saskatchewan — the need of services, whatever hours they may be, has always been of the vital importance to us as farmers out there. And so the reason they've never regulated those hours is because the need of the services sort of regulate the hours themselves. So it's sort of been self-regulating. So that's the reason it's never been done, and if there is a problem, we can always address it.

Mr. Van Mulligen: — Mr. Chairman, as I understand it then, when it comes to rural municipalities in Saskatchewan, there are absolutely no laws governing the operation of stores. Is that correct, Mr. Minister?

Hon. Mr. Hardy: — Well there's no laws governing store hours in rural municipalities.

Mr. Van Mulligen: — Mr. Chairman, I wonder if the minister can tell us of any other jurisdiction in Canada where this is the case, where you have no laws governing store hours at all. I mean, either you have a case of provincial government accruing unto themselves some residual powers to control, or they've been passed over to

municipalities, or a combination of the two. Here you have none at all, and I wonder if there's any other instances in Canada of jurisdictions where this is the case.

Hon. Mr. Hardy: — I know that you can always say that there may be some problems in the future, but I just want to go back a little bit. First of all, although the R.M.s have had the power or the rights in legislation to request through the department the right to regulate store hours, not once, not once in all the years since 1909 has a R.M. requested that.

And I said earlier, the reason they don't request it is because generally the services relate to the need out there. If we're harvesting in the fall, we stay open late. If in the spring we're seeding, you may stay open late. During the winter months they may close early. The need always regulates the hours, and it always has done that. It's done it at elevators, it's done it at any services in rural Saskatchewan, and in fact in a lot of the urban services now are regulated by needs. And I . . . that's the reason it's not there, and because it's never been used and it's self-regulating.

Mr. Van Mulligen: — Well, Mr. Chairman, I might say that I find this totally absurd, that when it comes to rural municipalities in Saskatchewan that there is absolutely no law whatsoever, either on the part of the provincial government, or any enabling legislation to allow municipalities to pass by-laws to govern store hours. It's just totally absurd.

It's got to be the only jurisdiction in Canada where this is the case, where neither the provincial government nor the municipal government has anything in legislation to give it the power to govern store hours. And the minister talks about elevator hours and the need for the farming community to be sensitive to the dictates of the farm economy and to have store hours reflect that. And I appreciate that and I think most R.M.s appreciate that.

But we have seen in recent months and in recent years an entirely different thing set up, and that is stores operating in R.M.s outside cities and beginning to compete, such is the situation outside Prince Albert. And how will there ever be any resolution to a situation such as this as we have outside P.A. when you don't have any regulation and the R.M. has now power to regulate? This is completely absurd, Mr. Minister.

Hon. Mr. Hardy: — Again, I don't want to repeat it too many times, but first of all, when they had the power or they wanted to, they'd never regulate it anyway because that's the way the R.M.s operate and the member from Elphinstone, who's a farmer, knows how it goes.

I just want to say that if SARM or the R.M.s represented by their association say to us that we need that back in, that it's important to them, we're going to have to make probably some changes in the spring — there's always a few amendments need to be done. At that time, I'm prepared to bring it back. But if SARM has a problem with it or their R.M.A.s or councils come to me with a problem at the mid-term or the main convention, heck, we'll make the changes if that's necessary.

It just hasn't been used. It's just one of those things. There's a lot of things in that Act we took out. The War Measures Act, I could go on and on, Seed Grain (Advances) Act, the whole . . . they took them out because they never were used any more. That's why they were taken out.

Mr. Van Mulligen: — I find this just completely strange, Mr. Minister. Here you went on in some great lengths to talk about you spent four years and you had committees and you did all kinds of study to come up with the final and definitive Act, and here now you've got no reference at all to store hours. You've got a situation which has cropped up in the last couple of years of one food store outside P.A.'s city boundaries competing with a store inside P.A.'s city boundaries.

How is there ever going to be any resolution if you've got no Act and you got no potential for any by-laws to govern that? How are you going to solve that little problem? How is the city of P.A. going to be able to solve that problem? This is just completely absurd. Why don't you go back and do your homework on this?

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Well, Mr. Chairman, it . . .

Mr. Chairman: — Order, order. Allow the Minister of Rural Developments to make his comments.

Hon. Mr. Hardy: — Well it's interesting, Mr. Chairman, to hear a person from Regina, live in the city of Regina, who's concerned about a small business in the R.M. some place. It interests me and it certainly . . . I think maybe it's fair to say, and it's fair to say that there may probably be some concerns about city businesses worried about business growing in the R.M. I don't think that'll happen because business is established where the traffic and where the volumes of people are, and that's the way it goes.

The second part is very, very important to recognize that in the R.M., as he's talking, the R.M. of Prince Albert, that store has been there for many years. It has never been asked to be regulated, and certainly they don't intend to regulate, didn't intend to do it.

Yes, the third part of it I think it's really important to recognize is the need for services in rural Saskatchewan. Rural Saskatchewan is very, very large in distance, a lot of times a lot of distances to travel. Stores stay open to their needs, and it's regulated by their needs.

Now I'll go back one more time and say it, and I heard the member say, you took four years to put it together. We have took three or four years. Did law review, real law review; we did a lot of things as we put it together.

And he said it should be definitive. Well the only two things that I know are definitive in life is when you're born and when you die. That's the only two things. Beyond that point, nothing, and nothing that we draft, not one of us as members that draft this legislation is ever definitive. There'll be changes made, and I know there's going to be some changes needed. We'll make them in the spring

when it's needed. And again, I want to make it very clear, if SARM and the RMAA agree to it and the councils agree to it, that's when we'll make the changes.

Mr. Koskie: — Thank you, Mr. Chairman. Obviously the minister doesn't have a proper or reasonable answer in respect to this. Now he says, he can go . . . yes, well we can go back and put it back in. Why did you take it out? It wasn't requested to be taken out, and why shouldn't the jurisdiction be within the R.M.? Actually what you want is wide-open, non-regulation whatsoever across the province, and that's exactly the goal in which you're trying to achieve. And why you have created is a total mess. That's what you have done. There certainly is a mess. It was created by you, a total mess. You've made a terrible mess out of it, Mr. Minister.

Anyway, Mr. Chairman, to get on with this important Bill, which the R.M.s are disappointed in, in that a complete review had been done in '85 and they're only receiving the Bill at this time, and many of the provisions which they have asked for are not contained in here — however, we're prepared to proceed with the approval of the Bill.

And what I want to recommend, Mr. Chairman, and to the minister, I've discussed this with him, is that we look at it and go through it by the individual parts rather than clause by clause. Because the concerns that I have raised are the ones that the R.M.s asked us to bring to the attention of the minister. But the other provisions, I don't think it would be necessary to go clause by clause.

(1445)

And I notice that there is an amendment in the first section, part I, section 2 of the printed Bill, and we could perhaps deal with that and approve that part and go to the second part, and with that amendment on section 17, and go through it in that way, if we could give you that suggestion.

Hon. Mr. Hardy: — I agree with that, Mr. Chairman.

Clause 1 agreed to.

Clause 2

Mr. Chairman: — An amendment to clause 2 of the printed Bill, moved by the Minister of Rural Development:

Amend clause 2(1)(dd) of the printed Bill by adding the words "unless the context otherwise requires" after the words "Lieutenant Governor in Council."

Clause 2 as amended agreed to.

Part I agreed to.

Mr. Chairman: — Order. I think it would be better if one person carried the Bill, and probably it would be the Chairman that should carry it.

Part II agreed to.

Part III

Clause 17

Mr. Chairman: — Moved by the Minister of Rural Development to amend subsection 17(3). Will the members take the amendment as read?

Clause 17 as amended agreed to.

Part III as amended agreed to.

Parts IV to VIII inclusive agreed to.

The committee agreed to report the Bill as amended.

Bill No. 49 — An Act to amend The Stray Animals Act

Clause 1

Mr. Lingenfelter: — Mr. Minister, I don't have a lot of questions to ask of course on this Bill but I wondered, what is the impetus in pressure coming from to amend the Bill? Like, who have you consulted with, and was there actually the R.M.s or the SARM that was proposing the amendments, or where did the amendments come from; who was putting forward the ideas?

Hon. Mr. Hardy: — Some of it came from individual R.M.s where their line fences are left, and one farmer's not having cattle any longer and the responsibility of fences. Some come from SARM, not a heavy lobby, and some of it's just cleaning up some old material that some of it's out-dated — the individual fences, the eight feet between, and that kind of stuff has sort of gone out with the day. They put up electric fences now and a lot of other things, so more or less just cleaning up the Act.

There was some requests from some R.M.s particularly in the south-west, and there was some discussion with SARM. It wasn't a high item with them; not necessarily a high item with me either. We're just cleaning up old material and some of the old Act and making it relevant to today's agricultural needs. That's all that we're doing.

Mr. Lingenfelter: — Mr. Minister, I wondered if you could explain to me — excuse me, because I don't know — but the fact of the open herd law and how it will impact on the open herd law which, I think, up to this point was at the discretion of R.M.s, I think the R.M. could . . . and I see officials shaking their heads. I may have this wrong, but could you explain how this implies and implicates on the open herd law which some R.M.s are called on to change or amend from time to time?

Hon. Mr. Hardy: — Okay. First of all, it's still closed herd law throughout Saskatchewan; secondly, if an R.M. now wants to have an open law herd in their R.M., they no longer have to submit it to us for approval; they can do it at their own local autonomy level. That's the change; that's the only change.

Clause 1 agreed to.

Clauses 2 to 18 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 30 — An Act to amend The Fuel Tax Act, 1987

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Andrew: — Yes, the officials that will be here for Bill No. 30, No. 62, 63, and 68 are the following: Art Wakabayashi, deputy minister of Finance; Russ Moore, director, revenue operations branch, revenue division; Doug Lambert, director of motor fuels and tobacco tax; Kirk McGregor, taxation policy, tax and economic policy division; John Wright, executive director, tax and economic policy; and Nancy Wright, tax and policy analyst, tax and economic policy division.

Clause 1

Mr. Kowalsky: — This tax, Mr. Minister, you know is a voluntary tax in reverse. That is, first you pay for it and then you have an opportunity to apply for a rebate should you remember or should you be able to find your bills. I want to find out, Mr. Minister, just how many people get this rebate back, and how many people are paying for it? Could you answer the questions in this fashion. We want to know how many people there are in Saskatchewan who actually purchase the gas? And I think that would sort of parallel the number of drivers, because I think this is really what the tax is on. It's on drivers. So how many people in Saskatchewan would be eligible through their drivers licences to actually purchase gasoline and qualify for a rebate?

Hon. Mr. Andrew: — I believe the question the hon. member asks is (a) how many people would have a drivers licence in Saskatchewan, and we understand that to be approximately 350,000. The number of applications that have been received under this program is 291,150. The number that have been processed is 241,874.

Mr. Kowalsky: — Why have the remainder not been processed to date?

Hon. Mr. Andrew: — You mean the 350 down to the 290, or the 290 to the 241?

An Hon. Member: — The latter.

Hon. Mr. Andrew: — Well they're in the process of being done at this point in time, and when this briefing note was ready that's where they were at. That's August 18, that's when it was prepared for. So between then and the end of September we will have them all done.

Mr. Kowalsky: — Could you advise us a bit about the method of processing? Are you processing every applicant, or are you just processing those that apply with over a certain amount of money, a certain value of purchases, or are you doing it on a random basis?

Hon. Mr. Andrew: — I'm advised they process every application. But in fairness, the ones with a higher amount of money will probably receive a probably longer time in going through the process and the examination of

it.

Mr. Kowalsky: — Do you have figures, and I expect you would have, for the value of rebates, the value of the rebates that were applied for and that would have been paid out, say, over the past year? And compare that to the total number of dollars worth of gasoline that were purchased that would be eligible for those rebates.

Hon. Mr. Andrew: — I'm advised the following. I mean, you don't have your statistics necessarily in the order you have, but if there's 291, 150 applicants, the average fuel rebate is \$164.73. So if you multiplied one to the other, you would come out with, I think, the question you asked.

(1500)

Mr. Kowalsky: — Now the average rebate then being \$164.73, so I guess if we wanted to figure out how much wasn't applied for, a reasonable way to do it would be to take the 350,000 drivers, subtract 291,000 people that apply, multiply by that average.

Hon. Mr. Andrew: — No, I think that would not be fair. Let me give you an example. Suppose that you and your wife have one or two vehicles. Let's say one vehicle and you both drive it. You both have a driver's licence. Perhaps you have a 17-year-old son that also does some driving. Very often those three drivers would submit their one application. You would explain a fair amount of it that way.

Mr. Kowalsky: — Let's approach it from a different point of view then. When you were introducing this tax you projected that you expect . . .

Hon. Mr. Andrew: — If I could perhaps assist the hon. member. It is our best guess, and you have to guess on this, is that we believe that probably 80 per cent of the potential applicants have made an application, so that would leave about 20 per cent that haven't — would be our best guess.

Mr. Kowalsky: — You believe then that 80 per cent of the applicants have put in an application. But do we have any numbers as to what percentage of the fuel purchased was applied for?

Hon. Mr. Andrew: — We're again averaging here, guessing at about two-thirds of the total personal use fuel consumed in Saskatchewan during 1987 rebate period.

Mr. Kowalsky: — I would point out, Mr. Minister, that I look at it . . . there's a couple of weaknesses in this system. First of all, by the figures that you've looked at and the answers that you've given me, it would appear that . . . and it sort of backs up a hunch that the person might have — from my own personal experiences, and my family and my neighbours, that those people that send a small amount of money on gasoline, you know, the occasional \$5 fill by your teenager and a \$10 fill here and there that would be less likely to apply for the rebate, and it would apply for quite a lot.

It would amount to quite a lot of money. So you have a built-in weakness into that system. It's further borne out

by the figures that you gave me where you said two-thirds of the gas that was bought was actually applied for in terms of — the rebate was applied for — but you said that 80 per cent of the people put in their application.

So I think it bears out a weakness in the system where the tax is, as I called it originally, it's a voluntary tax in reverse. That is, if you default, if you happen not to take the initiative to do the accounting procedures and put everything together, that it tends to hurt those particular people. I make those comments and I will defer to my colleague from Regina.

Hon. Mr. Andrew: — One of the reasons that obviously if there's people moving in or outside the province, they have to make an application at such and such a time. They have to be a resident of the province to make that application, so they do no longer qualify. If you go back to any other program where there is a rebate, let's say in the old property improvement grant, the numbers aren't totally different or terribly different than what you have here.

Mr. Shillington: — Mr. Minister, this really is a dreadful tax.

An Hon. Member: — You say that about every tax.

Mr. Shillington: — Well I say that particularly . . . The minister says I say that about every tax. I say that particularly about the fuel tax. It has all of the worst features that any tax could have. It is, I think, a fair administrative chore to administer. I think that's being very, very kind. It is a dreadful nuisance for the public. It's a fairly burdensome tax — \$204 . . . 204 million rather. Now I would readily admit that the money has to be raised from somewhere; if it wasn't raised on fuel tax, it would be raised somewhere else.

What makes it such a dreadful tax is the rebate system. Mr. Minister, I believe that this government, it instituted this whole system because they wanted to bring back the fuel tax. They could not manage financially without the fuel tax, and yet wanted to convince the public they weren't really being taxed.

As I said, this really is a dreadful tax. It is administratively difficult and expensive for your department, it's a terrible nuisance for the public, and it really is not a very equitable one, Mr. Minister. I for one fail to see why the 17-year-olds that you referred to who are out joy-riding should not pay the tax, and business people who are using the roads for legitimate commercial industrial purposes have to pay the tax.

Mr. Minister, I want you to comment on this tax from the point of view of the ideal tax, which I think should be simple to administer, minimize the nuisance to the public, and be relatively equitable. I think this tax does none of those things, Mr. Minister.

Hon. Mr. Andrew: — The hon. member, I think from all of the time I've been in this House and he's been in this House — he's been here longer than I — every time a tax issue has been raised he says . . . he exaggerates that this is the worst thing that has ever been done. And he's said that

so many times, Mr. Speaker, on every form of tax. Let's go back and look at this.

The previous government used to have a tax on gasoline and they had a sliding *ad valorem* tax for SGI. That was taken off. When the tax was taken off, the member yelled and screamed that this is the most atrocious thing ever done by anybody on the face of the province and in the history of the province. Then he started saying the reason it was so bad is because you're giving a break to the people that don't live in Saskatchewan.

Now the hon. member, being a constitutional lawyer of some renown, knows that you cannot simply bring in a tax and say, it only goes to here or to here. And therefore you cannot impose a tax where you take the tax from individual A and not from individual B. The hon. member knows that.

So in order to accommodate that argument that we found some reason to, quite frankly, and listen to what the hon. member advanced between '82 and '86, we said, well we'll institute it this way. The impact or the effect of instituting it this way is that the price for gasoline goes up, revenues come into the government, rebated back only to people who are resident of Saskatchewan.

And that goes back to . . . I think the number said almost 80 per cent of the people made an application, and that's a pretty high number by anybody's standards and I think the hon. member would acknowledge that. You wouldn't probably see that in an Ontario or a B.C. or in Alberta, but you do see it here, and therefore it's rebated back to those people.

I would refer the hon. member back to perhaps about a month ago where there was a study done by, I think it was the consumers' association, that showed that the price of gasoline, when rebated for drivers in Saskatchewan, is lowest of any place in Canada. That's clearly what we've been trying to accomplish, at the same time being able to take tax dollars away from the Ontario drive, I guess. If he drives through the province of Saskatchewan he contributes some tax to the road system here, and that's exactly what takes place.

And that's why we've done it that way; that was the purpose of doing it that way. Quite frankly, we listened to some of the representations of the member opposite. Now after having acted on those representations he says this is the dumbest thing you've ever done. So I guess you can't win for listening, even to the member opposite.

Mr. Shillington: — Mr. Minister, if every Finance minister takes a parochial approach to taxes and says, I am going to maximize the tax on people outside the province and minimize it on people inside the province, I guarantee you what we will produce is the world's most inefficient tax system, the world's most costly, and the least fairest.

Surely the time has come in this country when we can all pretend we're citizens of one country, Canada. We can all start to behave like it. I frankly don't see the wisdom or the merit in having each province try to structure the taxes so that you zap people out of the province. Surely it's a more efficient system to deal with the people that are in

the province and let other provinces do the same. Mr. Minister, this tax is . . . I want to know, Mr. Minister, what does this rebate system cost you to administer?

Hon. Mr. Andrew: — The hon. member makes a thing that you shouldn't try to do this and yet the hon. member, in fairness, as a fair member of this Assembly, will acknowledge between '82 and '86 that the hon. member's party, while in opposition, on numerous occasions — I can go back into *Hansard* if you want to — suggesting that the removal of the tax was wrong because you give an advantage to people outside of Saskatchewan. Now that's the reality. History will show that. The record will show that.

Going back to the direct question: how much does it cost to administer this? The cost is \$2.4 million.

Mr. Shillington: — Mr. Minister, I and members on this side of the Assembly urged no such thing upon you as this tax. We never urged this nightmare on you. When you took off the tax, we pointed out that you were taking the tax off some who might well be expected to pay, and we talked about truckers at the time. Nobody ever urged on the province this nightmare, and if you feel so inclined, Mr. Minister, please do get out those *Hansards*. They won't bear out your comments.

Mr. Minister, another feature, it seems to me, of a sensible tax is that it makes fraud difficult. This tax is an open invitation to fraud, an absolute open invitation to fraud. Mr. Minister, I see in service stations piles of receipts, pads of receipts — quite naturally, got to have them. Simplest thing in the world to take some receipts with you, fill them out and put them in. And I frankly don't know, Mr. Minister, how you would correct such abuses. The question therefore, Mr. Minister, is: how do you ensure that there's no fraud, because I think it's very prevalent in this particular tax?

Hon. Mr. Andrew: — Let me make a couple of observations. Number one, the hon. member would, and I suppose it's fair debating points, that people will grab at a fraud opportunity whenever it's available. There is a mechanism by which it goes through these young university students that have a summer job going through these bills.

There has been cases where you have seen people that have perhaps tried to do something that is not kosher. If you do that, you tend to see patterns develop on that. You know, and if there's . . . you know what things to sort of look for. And it's the view of the department, well I suppose no tax can be devoid of perhaps someone trying to play fast and loose with it. By and large, I don't think this tax is any more so than any other tax.

Mr. Shillington: — Oh I think it's much more so, Mr. Minister. I think the incidence of fraud with respect to tax is directly proportional to the ease with which the fraud can be perpetrated. I think that was true for a long time with income tax, until some years ago, Mr. Minister; the income tax system was tightened up and the auditing systems were tightened up to the point where it became difficult and dangerous.

I think the incidence of fraud with respect to tax is proportional to the ease with which it can be accomplished. And I think there's nothing — and in fact, the comment you just gave me suggests there's very little to prevent someone from putting in false receipts.

Mr. Minister, let me ask you a question: how many people have been prosecuted for fraud with respect to this tax?

Hon. Mr. Andrew: — Nobody.

Mr. Shillington: — That's exactly what I thought. Mr. Minister, what percentage of . . . what's the volume in either in numbers of people or in dollar amounts, what is the size of the claims which have been rejected as not proper claims?

(1515)

Hon. Mr. Andrew: — I'm advised about 8 per cent. But speaking to the hon. member's question with regard to this tax versus other tax, if the hon. member was to look at the areas where you have the largest problem with tax, it would tend to be in the tax on cigarettes, because you're bordering Alberta where they have a substantially lower tax on cigarettes, the tax on booze, particularly coming across from United States into Canada — those are the areas where we would see the biggest slippage on tax.

I suppose there always could be the point made that is there a slippage on tax and the liquor consumption tax. Is there slippage on tax if somebody buying a refrigerator or items in Alberta and bringing them across the line and not declaring it? I mean, there's the reality is in virtually any tax you can put out, there's going to be an opportunity for slippage. We all know that. Anybody that's spent some time in Finance would know that. Clearly there's some people that will go to great lengths to try to avoid it. What I'm saying is that this tax here, it is our estimation, the estimation of the people in Finance, that the slippage here is not greater than those other ones, and probably less.

Mr. Shillington: — Mr. Minister, I think you show enormous compassion and generosity and trust in your fellow men, and I think a good deal of it's misplaced. Mr. Minister, I believe that this tax is subject to widespread fraud in the way that sales tax is not, and the way that many other taxes are not. I think, Mr. Minister, that your mechanism for checking and catching people who file false receipts is woefully inadequate. Mr. Minister, there is only the crudest of mechanisms available to catch people who submit false receipts.

Mr. Minister, I want to leave that, but I want to say that I think this tax has really got to be looked at. There's everything wrong with it. It is an invitation to human greed and fraud. It is a dreadful nuisance for the public. It's expensive for you people to administer. It arises, Mr. Minister, out of a completely irresponsible and unrealistic campaign in 1982 when you indicated and got elected because you were going to put money in their pocket.

You found out, Mr. Minister, that when you put money in their pocket, you took it out of somewhere else. You ran up a huge deficit, and this term of office has been a story

of trying to undo the errors of that earlier campaign. One of the ways you sought to do it was to put the gas tax on. Did you have the courage to admit you made a mistake when you took the gas tax off? No. Instead you sought to cloak it with this administrative nightmare of a rebate system.

Mr. Minister, I want you to deal specifically with the question of why you think the business community should pay this tax. It's very substantial. For many businesses, it's very substantial. I don't want to inject a personal note into this, but we have a law office. We are not eligible for this gas tax with respect to fuel burned travelling with respect to the office. A law office is not a big user of fuel. If you compare us to a wholesaler, for instance, we are minute, but I know from personal experience that this tax, this tax is fairly considerable. The cost of gasoline is a significant expenditure.

Mr. Minister, how do you justify asking the business community, largely the small-business community, the people who travel the roads, the salesmen and so on, are largely small businesses, Mr. Minister, how do you justify loading this tax on the small-business community, and as I say, exempting the 17-year-old who wants to destroy the streets in Shellbrook and his father's vehicle all in the same time? How, Mr. Minister, do you justify what I think is a basically inequitable system?

Hon. Mr. Andrew: — We look at the . . . when we brought this tax in that it was a individual that was looking for a tax break, and it was the individual, through this, that was given the tax break. The hon. member says that the NDP did not support this. Let me read from *Hansard*, November 30, 1984, a statement by Allan Blakeney:

Our position is that interprovincial truckers should not be able to use our highways at no cost. When they are moving heavy loads from Toronto to Vancouver, I don't believe Saskatchewan taxpayers should be providing roads to them free, gratis. Members opposite do; our party takes a different position. We say (and this is the important thing) that those people ought to pay a tax, but that Saskatchewan citizens should not.

Saskatchewan citizens — and that's the point made by Allan Blakeney back in 1984. And citizens, to our view, meant the people — okay? — the individual, the individuals.

Now corporations . . . then you get into corporations and the first thing the hon. member would say is, well you're letting big corporations get away with this. That's exactly what you would say. Then you would say, well no, you can only be so big of a corporation. Well how big could the corporation be? It could depend if you had one employee or two employee, then you're right back into a maze of regulation. And so the hon. member, while he makes his argument, I think he makes the argument in the circle.

Mr. Shillington: — I don't think I do at all, Mr. Minister. I suggested to you that it is inequitable to ask the business community to pay this tax when the ordinary consumer does not. It may well be, Mr. Minister, that the business

community does not have the political clout with this government that perhaps it should, but perhaps the numbers of the business community, I mean, it doesn't have the clout it should.

But, Mr. Minister, you're loading this tax not just on IBM (International Business Machines) and General Motors; I question how much those corporations actually pay. I believe with most of the wholesalers and most of the retailers who burn up a lot of gas with salespeople on the road, I believe that most of the wholesalers and retailers are small-business people employing less than a hundred people. I wonder, Mr. Minister, why you think it's fair that the business community, large or small, should pay this tax when no one else does? Why is that fair, Mr. Minister?

Hon. Mr. Andrew: — Well with regard to the business community, what we have sought to do, Mr. Chairman, is to try to standardize the taxation to businesses. Now if you look across the country with regard to what businesses pay for gasoline tax, you have got Saskatchewan paying 10 cents a litre; you have Manitoba paying nine cents a litre; you have Ontario paying 9.3 cents a litre; you have Quebec paying 14 cents a litre; New Brunswick, 9.8 cents a litre; Prince Edward Island, 9.1; Newfoundland, 9.3; B.C., 8. And the only one that's low is 5 in Alberta.

So if you really look at it, the tax rate charged here to businesses, versus tax rates charged across the country, we would at most be one cent a litre higher, with regard to the business people. And we've rebated back to the citizens, as Allan Blakeney said in 1974. We say those people ought to pay, but that Saskatchewan citizens should not. So the business community is not paying a tax terribly different. There is a significant break being given to the Saskatchewan consumer, the Saskatchewan citizen, and that is the decision taken by the government.

Mr. Shillington: — Yes, it's that very decision I'm quarrelling with, Mr. Minister. You have not, Mr. Minister, dealt with the issue of why you think it's fair that the business person pays it and the consumer doesn't. You have not dealt with that at all . . . When I want you, I'll call on you; I'm not finished yet.

Mr. Minister, I for one do not feel that's fair. I don't think it strikes many Saskatchewan people as being fair. Mr. Minister, your government has to be congratulated for the imaginative ways in which it has managed to attack . . . to tax the Saskatchewan public — a Freudian slip — I said attack the Saskatchewan public; it might have been just as accurate.

Mr. Minister, you've found the most imaginative ways to tax the Saskatchewan public — lottery taxes that have done more to drive bingo halls from the province than all the sermons delivered since the beginning of the province.

This gas tax, Mr. Minister, which we're dealing with — we're not dealing at the moment with the lottery tax — this gas tax which we're dealing with is paid by the business community. You have not addressed yourself to why you think business people are deserving of this tax and the consumers are not. And I wish, Mr. Minister, you

would address yourself to the inequity between the way this province treats the consumer and the way this province treats the business person.

Hon. Mr. Andrew: — Well the hon. member — and we're coming to a Bill shortly, and he will switch over and take an entirely different and inconsistent attack. The tax rates that you charge to small business in Saskatchewan, and the way you calculate it, is different than the way you calculate a tax to the individual — different system altogether.

You have a new \$10 million business tax concession back to the small-business people of Saskatchewan — \$10 million to small business. You're against that. But we proceeded that way. So there's a difference. You tax small business differently than you tax the individual.

There's various other programs for small business that's not there for the individual. And I would only remind the hon. member if they were still in government, there would be no distinction between what you tax small business and what you tax the consumer. They would both be taxed more than they are now — long and short of it.

The reality is we're making this rebate back to citizens. If you were in government, you have said on many occasions that the gas tax should be there, should never have been taken off. And what you're basically saying again now, if I'm to read you right, is that an NDP government would increase the gas tax, eliminate the rebate, and have it 10 cents a litre for small business as well as the citizens of Saskatchewan.

Now you will say that in here but you wouldn't, I dare say, go outside and say to your folks in your constituency, what we want to do to you is eliminate that rebate. That's what you're saying. You're saying get rid of the rebate and charge that to the individual citizen of Saskatchewan. You have that policy; we don't. We campaigned on that in 1982. You got eight seats and we got, what? — 56. So I guess if you want to go out, and I would welcome you to go out to the people of Saskatchewan and say to them what you're saying in here now.

Clause 1 agreed to on division.

Clauses 2 to 5 inclusive agreed to.

Clause 6

Mr. Kowalsky: — There's one other item that I'd like to bring up with respect to this fuel tax, and that is that you have never addressed the plight of the school boards who pay this tax.

Mr. Chairman: — Order. On clause 6 is coming into force. The only thing that can be discussed on clause 6 is when the Bill will come into force.

Mr. Kowalsky: — I would like to ask when are you going to consider taking that into consideration, Mr. Minister. When are you going to do that?

Hon. Mr. Andrew: — Mr. Chairman,, it is our intent to put

this legislation into force very shortly, after it being passed through this House.

Clause 6 agreed to.

The committee agreed on division to report the Bill.

Bill No. 62 — An Act to amend The Stock Savings Tax Credit Act

Clause 1

Mr. Shillington: — Mr. Chairman, Mr. Minister, on the surface anything which encourages Saskatchewan people to invest in Saskatchewan enterprise is a good thing and should be encouraged. To that extent I have no difficulty with the overall scheme of the legislation.

What does bother me about the scheme is the damage that this and other schemes of this sort do to our income tax system. The income tax system becomes so riddled with special exemptions that it fails to serve its original purpose of providing revenue to pay for public services.

One of these schemes, Mr. Minister, wouldn't be a problem, but our income tax system is so littered with these special schemes designed to solve problems quite apart from the initial purpose of the income tax, that it seems to me our income tax system is a good deal less efficient than it should be and doesn't serve it's original purpose.

An Hon. Member: — Swiss cheese.

(1530)

Mr. Shillington: — That's right. My friend, my colleague from Regina Victoria describes the income tax system as looking like a piece of Swiss cheese.

Mr. Minister I want to . . . and again I emphasize that the actual, the scheme itself, the purpose and the goal which are designed to encourage people to invest in Saskatchewan enterprise is a very good one. It's just the effect it has on our income tax system which bothers me.

I want, Mr. Minister, to ask you some detailed questions now then about the schemes. Do you, first of all, have a list of the schemes which have qualified for exemption under this Act?

Hon. Mr. Andrew: — The following corporations in 1986: Claude Resources, Shore Gold Fund Inc., Vista Mines, Great Bend Resources Corporation, Canadian Pioneer Management Ltd., Saskatchewan Trust — 1986; 1987: Tri-Rac Industries Corporation, Time Air Corporation, Sask Oil and Gas Corporation, Aura Resources, Vista Mines, Claude Resources, Currie Rose Resources; 1988: Shore Gold Fund, Strike Energy Inc., WESTBRIDGE Computer Corporation, Upton Resources Inc.

Mr. Shillington: — Mr. Minister, I don't know whether you have statistics on this or not, and I don't know whether you're really in a position to comment on it, but it is my impression that the people who invest in this are

upper income investors, higher income people. And what this scheme does is permit higher income people to avoid their payment of their share of the income tax.

Mr. Minister, first of all, I wonder if you do have any statistics on the average incomes of people who invest in these schemes; do you have any information, Mr. Minister?

Hon. Mr. Andrew: — We don't have that precise information. I think the hon. member would agree that that type of information, statistical information, would come from Revenue Canada.

What I can attempt to do for the hon. member is see if I can find a response to that answer from Revenue Canada. But they're the ones that would have the statistical information. perhaps under StatsCanada there would be something to that effect, I don't know. But we'll undertake to see what we can find for you on that.

Mr. Shillington: — Mr. Minister, we've reached the point, as someone said, as my colleague for Regina Victoria has said, we've reached the point where people invest in schemes, not for hope of reward, because they think it's a good scheme and it's going to work, but because they want to avoid income tax.

Mr. Minister, that is bad investment thing, and that's very bad tax planning. And these schemes which are, I think, too rich and too numerous, have a delirious effect on the investment community because they tend to encourage people to invest in bad investments, which cannot be justified on their own merit, and I think you do a good deal of injustice to the income tax system.

Mr. Minister, I wonder if you could tell me, of the 1986 — you may not know this — of the 1986 investments, how many of those operations are still functioning? Do you know that?

Hon. Mr. Andrew: — We think that they're all functioning. With regards to the hon. member's question with regard to tax expenditures generally, I think to make a couple of observations, number one, your point certainly has a legitimate intellectual dimension to it. I don't disagree with that, and I've said that many times in my previous time in Finance. I think you also have to look at though is that at the same time you have to try to create some vehicles, on which you agree with me, to try to encourage Saskatchewan people to invest in Saskatchewan.

If we were to do away with this, the problem you would face is the following, and the Saskatchewan resident would still have the ability to make those investments under various federal schemes that exist as they do now — there is other provinces that you have to compete with.

And let me give you an example, of let's say, a particular company wants to set up operation in Saskatchewan. They come to us and they ask for some assistance from government. Very often they say, here's what Alberta has offered, and here's what Manitoba has offered, and among the schemes of those two provinces is stock savings plan, various other types of mechanisms like this;

they exist in virtually every province. So it is used hopefully as a mechanism or a vehicle to encourage that economic development to take place here rather than, let's say, in an Alberta or a Manitoba.

And so tax expenditures in any tax system tend to do exactly what you say. And if you have too many, obviously your system loses its credibility altogether. We have attempted to keep these to a minimum. The tax expenditure programs of this government are not that numerous; there's a labour sponsored tax credit program, stock savings tax program, and I believe that one or perhaps two in the whole field of agriculture. And so other than that, that's all you have by way of tax expenditures — and oh yes, the venture capital program that exists.

So while there's four or five of them, I agree with the hon. member, if that number was to grow or if a new one is brought in, perhaps one has to look at taking another existing one out. I think what this Bill tries to do here is to modify the stock savings plan so that it's not used as much by the bigger corporations, or they have a less advantage to get it back to what it's real intent was in the beginning, and that's to help the smaller corporation perhaps raise the capital that is very often very difficult to raise in a province of our size.

Mr. Shillington: — Some of them are so small I've never heard of them, and some of them aren't. Claude Resources isn't a midget. Mr. Minister, I just want to make one final comment and then this Bill can go; at least I will have no further questions.

Mr. Minister, it seems to me that your federal counterpart, Mr. Wilson, would have been far better advised to have reformed the Income Tax Act than to have brought in the general sales tax.

About a year ago — and if the committee will bear with me, this relates to this Bill — about a year ago, a couple of years ago, the federal minister reduced income tax and said, we're also going to bring in a general sales tax. He made a very serious mistake in not doing it at the same time. It bought him some short-term gain but at the expense of long-term pain by separating the two. Now I think he has a very serious problem with the general sales tax.

It strikes me, Mr. Minister, the federal government and the provincial governments and this country of course, which is the ultimate, would have been far better served to have reformed the income tax system, to have taken it from its role as sort of Swiss cheese, which has a strong and pungent . . . at times is strong and pungent but is usually full of holes, and turned it into a simple, clear measure which would have raised the necessary revenue. It struck me you'd have been far better off if you'd reformed the Income Tax Act than to have gone with this unholy mess that is styled the general sales tax.

Hon. Mr. Andrew: — Well I think in fairness one would have to acknowledge that Michael Wilson did do some reform to the Income Tax Act. Did he go far enough? I would have preferred to see him go farther as well, as would you, although it's easy, I suppose, to give

somebody advice as to what they should do at the national level, and quite a different thing to in fact do it and get people in this country to accept it. Not an easy challenge.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 63 — An Act to amend The Revenue and Financial Services Act

Clause 1

Mr. Kowalsky: — Mr. Minister, this Act is set up to collect your ill-fated lottery tax, this thing that you labelled the hospital tax, which does not tax hospitals at all. It taxes lotteries and it taxes charities. And then in many cases it appears that it taxes charities rather unfairly as well.

I want to ask you some questions about the collection of this tax because some of the records show that this tax hasn't been collected very accurately and very thoroughly. Mr. Minister, could you indicate to us what your record is of collecting the existing tax from bingos and bingo licensees, even prior to the implementation of this particular unfair 10 per cent tax. But what was your record in collecting the tax from licensees?

Hon. Mr. Andrew: — Well the hon. member I thought would have known that prior to this there was no tax on bingos; they had a fee.

Mr. Kowalsky: — I will restate the question. What then was your record in collecting of the 2 per cent fees, which have changed since then, I believe?

Hon. Mr. Andrew: — That was done by the Gaming Commission, not by the Department of Finance. So those . . . no, but these Bills went through the House and the hon. member was here to respond to that, that type of question. Department of Finance does not and did not collect that. The Gaming Commission collected that before.

Mr. Kowalsky: — Who is going to be collecting the tax from now on, Mr. Minister?

Hon. Mr. Andrew: — Mr. Chairman, perhaps the minister of consumer and corporate affairs that had these Bills in the House yesterday could deal with this particular Bill. He's more familiar with it than I am. I'm standing in for the Minister of Finance, and perhaps if he came down and did this Bill through, it would probably expedite it better.

Mr. Kowalsky: — Well, Mr. Minister, I want to get to the specifics of how this Bill, how this tax is going to be collected and with the record with respect to collecting of this tax.

Now it's my understanding that this Bill, Bill 63, is the one that empowers the collection of the tax and how the people who pay the tax will be punished in the event that they do not pay the tax and how you're going to get after

the tax. So on that day — you must have put the Bill in here for some reason. I'm assuming that the reason you put it in there is because your record of collecting the 2 per cent from bingo wasn't so great.

Now if it wasn't so great, and I look at some of the numbers that come in, for example, for the month of March, there were from bingo — there were financial reports that were required — was 1,936 of which you received 200, and those pending were 1,736. And let's see, that was . . . '89, for April to March, that's March of '89. For April to March, a fairly similar record; those required was 3,157; those pending were 1,736. Not a very good record; not a very good record.

It appears to me that there's a lot of people that are just simply unable to, for some reason or other, and I guess it's probably sloppiness on the part of the government in collecting this tax. If it's going to be collected, it should at least be collected in fairness with everybody, on everybody. How do you expect to even begin to collect a 10 per cent tax if you're unable to collect a 2 per cent fee?

(1545)

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I don't know where the member is getting the idea that we had difficulty collecting the fee before, because to my understanding, there was no difficulty with the fee before. The charitable organizations file their reports quarterly, and the fees are sent in. There was no difficulty, so I don't know where you're getting your information from.

You've got to keep in mind that this is a new tax, and there has to be a change as far as the administration of it is concerned, and that's why this Act is before the House today. The Gaming Commission is still going to be collecting the tax, and then we'll be forwarding it on to Finance.

Mr. Kowalsky: — Mr. Minister, are you saying that you had, that you were able to collect all of the fees, the 2 per cent licensing fees, that you collected them all in the past?

Hon. Mr. Meiklejohn: — There may have been some delinquency, but it would be very, very limited because the charities understand full well, or did understand full well, that if they were going to continue operating, whether it was bingo or selling break-open tickets, whatever the case might be, that they had to submit the proper fee. So there might have been some of them that were slower in getting it in, but to my knowledge that was not a serious problem.

Mr. Kowalsky: — What is the frequency of this delinquency?

Hon. Mr. Meiklejohn: — We don't have that information here, Mr. Chairman.

Mr. Kowalsky: — Well, perhaps I can send you some numbers. Perhaps I can send you some numbers and you can either verify these or dispute them and explain to the people of Saskatchewan what is meant here by the difference between financial reports required and financial reports pending.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out to the member that this has absolutely nothing to do with this Bill. He should have been asking this question when we were dealing with The (Saskatchewan) Gaming Commission Act. But as far as pending, as I understand it, there might have been some delay with some of the charitable organizations sending the money in, but it was not any type of serious problem that I'm aware of.

Mr. Kowalsky: — Well this Bill has to do with the collecting of taxes. I will concede that it could have been asked under the other Act, but I appreciate your answering the questions forthrightly. I think we have to get through this business at some time. I could ask them in Finance estimates, I suppose, to get the answers there as well. I think this is as good a time as any.

I want to ask you whether . . . what system you use to follow upon the bingo licensees. What does the Gaming Commission do? What process do they kind of go through to make sure that these are collected? Do you contact the bingo operators for this?

Hon. Mr. Meiklejohn: — Mr. Chairman, what the member has to realize that the licences are given to charitable organizations to hold these functions. They're not given to the bingo operators. It's not the hall operator; he does not have a licence to operate a bingo. It's the charitable organization that does this.

And you have to keep in mind as well that if the charitable organizations . . . it would be folly for them to be delinquent in sending in their fees, because if they want to continue on with their operations, the only way that they can ensure that their licence is still going to be in good standing is if they do send in the required fees.

Mr. Kowalsky: — Well, Mr. Minister, the advice that I see here is that when you're looking at licensees you are looking at a large number of different organizations. When you're looking at bingo operators, you're looking at perhaps a dozen or 20, maybe 30, but certainly less than 50, certainly less than 50.

Now the collection of these taxes . . . in order to be done equitably and fairly with everybody, I would think that the collection could be done more efficiently through the operators themselves, through the operators in some fashion, rather than looking at each one individually. Now I would think it would be a much simpler and much more efficient way to do it. Right now the only mechanism you have is that when a person is delinquent, you don't give them another licence. Now that could still be done by the operator, but it would seem to me that you could operate a much more efficient system that way, and of course you'd have to give them the regulations and some ways of following it.

Now I have another question, information, I suppose, more than anything else, but it's with respect to other lotteries coming into Canada from outside of Canada. Is there any way that your department, either in your ministry or Department of Finance, can have any kind of control or any way of taxing or any way of . . . any handle at all on lottery schemes that come by letter to . . . or

licensing, any way of licensing lottery schemes that come from outside the country. Like I have in my hand here one that's come from Germany, and the person that gave it to me estimates there's probably several hundred people in Saskatchewan that get these. And I think it's just sort of things that get on people's mailing lists. They're lotteries. Many people spend the money on them, but what I see happening here is that the money goes out of the province — not only out of the province, but out of the country.

Do they have to be licensed, or is it possible for you to license them by law and issue any controls?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, a couple of points with regard to the concerns raised by the member opposite. To deal with the latter one first, any of those tickets coming in out of the province are illegal — out of the country or out of the province. That's governed under the Criminal Code.

Going back with regard to your previous concern with regard to the hall operators, that is something that will be considered. There are 60-some halls operating in the province today, commercial halls, but up until the gaming Act was passed, the Gaming Commission did not have that much authority over the hall operators.

But now that the Act has gone through, it will be possible to have some control over the operators because now they are going to have to be registered. Certainly you make a good point with regard to there may be a better way of doing it. But until this point in time, it's the charities that have been licensed to operate the bingos. They are the ones then that are responsible for the financial end of it and sending in the tax.

But now we certainly are in a position to consider having the operators doing it, and if there is any problem there then, the Gaming Commission could move to deregister them, in the same way that if there was any problem, and it was maybe the operator that was at fault, the only way that the Gaming Commission could penalize the operator would be by cancelling the licences of the charities, which was really not fair to the charities. But that was the only way to do it, so it is something that will be considered.

Mr. Kowalsky: — On another point with respect to this Act, it indicates in one of the clauses here that the minister may suspend or cancel any licence pursuant to a revenue Act. I would think that the minister in this case, in this Bill, would mean the Minister of Finance. Now it's my understanding that licences are issued by the minister that's responsible for the Gaming Commission. Now what do we have here? A licence that could be suspended by either minister, but can be given only by one minister. It seems to be kind of a cumbersome situation.

Hon. Mr. Meiklejohn: — The suspension would come through the Minister of Consumer and Commercial Affairs and the Gaming Commission at the present time, because the . . . not the lotteries, but the bingos in this particular case have to be operated in accordance with the Act. So if they were not following the rules of the Act, then of course the licences could be suspended.

Mr. Kowalsky: — So when you refer to minister in clause 6(7) on page 3 there, you're referring to the minister that's responsible, the Minister of Consumer and Corporate Affairs.

Hon. Mr. Meiklejohn: — That would be suspended under The Hospitals Tax Act, and that would be done then by the Minister of Finance.

Mr. Kowalsky: — Well that's the point I was getting at, Mr. Minister. It seems then that there are two ministers that are capable of cancelling licences, cancelling lottery licences, and I wonder about the advisability of that when there's only one that can issue the licence.

Another question I would like to ask you is with respect to the appeal board. Now the appeal board's decision here is final; states that in this Act, in the event of any licensee not paying his taxes or not being in agreement with the taxes that are being collected either quarterly or by some instalment means, not being in agreement, makes his appeal to the appeal board, the appeal board's decision is final.

Could you advise me who would be on that appeal board and how that appeal board would be comprised and how it would be set up? Is it by appointment, is it by election, is it representative of any certain body of people?

Hon. Mr. Meiklejohn: — Mr. Chairman, this section would apply to appeals for all taxes that would be collected, whether it's E&H (education and health tax), liquor tax, and so on. The members would be the same that sit on the Saskatchewan municipal appeal board or the Board of Revenue Commissioners; they're the same people and they are appointed through order in council.

Mr. Kowalsky: — Well, Mr. Minister, then I just would . . . I think you know well our position on this lottery tax; we've stated it repeatedly. I was hoping that today when I asked you in question period about the tax on exhibition boards through their casinos that you might consider and I might consider that \$5 per head tax, because I think you'll find them rather unanimous in saying that that \$5 is going to hurt them a lot more than the increase from seven to 10 per cent.

I think that my reading of it is that they are willing to try the seven to 10. It will decrease their revenue somewhat, but they are afraid of what the \$5 per head tax is going to do. You know, people in restaurants and places of entertainment put a head tax on when they want to keep customers away, when they want to restrict their clientele. What the casino operators are telling me is they're afraid they're going to lose their 5 and \$10 people, or all their 10 and \$20 people — people who've got \$20 to spend and say hey, well, let's go and gamble a little bit. They'll go in and they'll maybe bring a friend with them. It won't deter your people who come in with the hundreds and five hundred dollar bills, but it will deter . . . they're very much afraid it will deter the person who is, instead of going to the bar or maybe to a bingo or some other place for entertainment, would have come to a casino.

I would once again encourage you to drop that per head

tax, or cut it down, although once you get it down to a dollar, there's not much revenue there anyway. And I think you're probably be wiser to do so, because if you can keep your crowds coming to that place, at least then there's some revenue. But if you find that you're losing crowds, they lose money, you lose money, everybody loses in the end.

(1600)

Hon. Mr. Meiklejohn: — Just one final comment, Mr. Chairman. We're certainly aware of the concern that the boards have. We have committed ourselves that we will monitor it very closely and consult with him as we have in the past.

You talk about entertainment, certainly, and people do have to pay for other types of entertainment, whether it's going to movies, or we're going to the horse races, or whatever the case might be. So we will monitor it very, very closely and see how the thing goes.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

Clause 7 agreed to on division.

The committee agreed to report the Bill.

Bill No. 68 — An Act to amend The Income Tax Act

Clause 1

Mr. Koenker: — Thank you, Mr. Deputy Speaker. Mr. Minister, my question concerns tax credits available to dependants other than a spouse or children, namely dependants who have physical or mental disabilities. And I speak, particularly on behalf of a constituent who contacted my office this spring when he was filing his income tax return, questioning why, when he supports his 69-year-old mother-in-law who landed in Canada as a landed immigrant in April of '85 and has very little ability to communicate outside of her native tongue, and at 69 years of age has no ability to go out into the work-force and therefore is a full dependant, and she's not on social services or receiving Canada pension, he came to me and asked why there wasn't an equivalent tax credit or deduction for her when he can deduct that kind of dependency from his federal income tax but not from provincial income tax.

I'm wondering if you can comment on why you haven't taken steps to bring provincial taxation into line with federal taxation with respect to dependency when you bring in Bill No. 68, income tax amendments.

Hon. Mr. Andrew: — Well the hon. member had written a letter to the Minister of Finance, and I will read to the member the letter sent to him by the Minister of Finance. It's a two-pager. It goes through in some detail in trying to respond to that question. I take it that the hon. member has a copy of that letter, and I think in the interests of time, it probably wouldn't make much sense for me to read it into the record. So I think the letter tries to set out why, in response to your question, that we have not opted to

provide a similar credit to the federal income tax.

Mr. Koenker: — Would you not say, Mr. Minister, that a general objective of your taxation policy and the federal taxation policy is to have reasonable conformity between the two jurisdictions; and that in fact when it comes to the definition of dependants, that that definition of dependency ordinarily in Saskatchewan is taken from the federal definition of what a dependant is? Would you not agree to that?

Hon. Mr. Andrew: — Well I think the hon. member would . . . as I understand the issue, is as follows. The federal government, through the federal income tax system, provides a credit, and the effect of that credit would be to reduce one's taxable income. The Saskatchewan income tax piggybacks atop of the federal income tax system at a rate of approximately 50 per cent. Therefore if the federal tax payable becomes such and such, then the provincial tax payable, which is just a 50 per cent in effect, indirectly we are making a contribution to that as well.

Mr. Koenker: — Now, Mr. Minister, through this tax credit system an individual such as my constituent really receives no benefit for providing sole support for the 69-year-old mother-in-law. He absorbs all costs fully to feed and clothe and shelter her. And would there not be a compelling case then in your own mind to give some reasonable, modest recognition to this kind of predicament, by virtue of your Income Tax Act, and bring it into conformity with the provisions of the federal Act?

Hon. Mr. Andrew: — I'm advised and I'll read the letter from the minister to you:

The province provides direct support to this federal initiative by applying the provincial basic tax rate equal to 50 per cent to the federal tax credit, which is equal to 17 per cent of the \$1,471 or \$250.

So the fed credit is \$250. As a result, the Saskatchewan provides tax filers who support mentally or physically infirmed dependants with non-refundable tax credits equal to \$125 per dependant. So I would take it that's 250 plus 125 is equal to 375. In the case of the child, it is \$66 per child federal and \$33 per child provincial. So to say that you don't provide any Saskatchewan credit is not in fact accurate. We are providing in that particular case \$125, the feds \$250. In the case of a child, your child, for example, it's \$66 and \$33.

Mr. Koenker: — Mr. Minister, I'm wondering though why Saskatchewan can't give more recognition to people who are bearing a responsibility that the government itself would ordinarily bear in these circumstances by virtue of social services or a pension plan of some sort. I would certainly think that the provincial government could come up with more than \$125 a year for people who are absorbing the full cost of feeding, clothing, and sheltering a fully dependant adult.

Hon. Mr. Andrew: — Well the Finance critic for your party in the previous Bill stood up and said you should not use tax credits or tax expenditures as much as you are.

Now you take a particular case, it would strike me that it makes more sense to deal with that would be to — you have a tax system that you try to keep as clean as possible under tax arrangements between the provinces and the federal government. If you wish to have programs to assist some individual that you say is in need, then it seems to me that it makes more sense than you would not do that through the tax system, but do that through social policy or introduction of a given policy.

Now if you want to have a policy argument, should there be support for group A, B, or C, I'm sure we've debated that many times in the House over the last three years and over this session. But it would strike me, if you can't have it both ways, you can't say, don't contaminate the tax system and then ask for further credits to be put on. Surely that particular case would call out for a case where it makes more sense to do that through a grant program or a policy program of the government, and not through the tax system.

Mr. Koenker: — Just to conclude, I would say obviously my colleague was talking about venture capital and stock saving tax schemes, which bear no relevance to the issue that we're discussing here. And I simply say that your words stand on their own merit, and if you aren't willing to recognize it and to bring the Saskatchewan system into reasonable uniform conformity, so be it; it'll be left to another government to do that. Thank you very much.

Hon. Mr. Andrew: — Well I take . . . the way I make the argument is following. I assume that your particular friend would qualify for the heritage grant, which is another \$500. It strikes me that that type of grant program makes more sense than trying to do it through the income tax system.

Mr. Kowalsky: — The portion of this Act, which is of particular distaste . . . is what it does to those people, to those large corporations that come into Saskatchewan and who have not had their corporate income tax contributions to the province increase at the same rate that the income tax rates have increased and by ordinary Saskatchewan individuals. And in this particular Act here, what you do is you reduce the tax rate from 17 per cent to 5 per cent.

Now we know, and it's well known federally, Mr. Minister, that there are billions of dollars, billions of dollars of uncollected taxes by the federal government from corporations. There's enough there that if it was collected at a regular rate and collected at the rate that it should have been and then not forgiven, then we wouldn't have the monstrous deficit that we now do have federally.

I suppose there are many examples, but what happens, somehow or other you get these companies that get these tax breaks, and I think of Inco who got a great big tax break to keep its company going in northern Ontario and then went and developed South or Central American operation. Well that's not your concern, but there . . . I want to ask you about parallels. Are there companies, are there large corporations who have had their taxes forgiven in the past year here in Saskatchewan, and is that why you lowered this corporate tax rate, because you

weren't able to collect it anyways?

Hon. Mr. Andrew: — No, that is not the answer. And if I could give a comparison of personal income tax and corporate income tax in the province of Saskatchewan from 1981-82 year to 1989-90 year, personal income tax revenues have moved from 511.7 million to 869 million. Now that is an increase over that period of 69.8 per cent, given inflation, etc. In that same period of time, the corporate revenues have gone from 112.6 to 248.3, or 120.5 per cent, almost twice as large of an increase to corporate than it has been in individuals.

Now the hon. member will know that last year when the corporate tax was changed, what you saw was increase in the corporate capital tax designed primarily to attract tax onto the larger corporations that have a high capital base. Now that went up sizeably. The other tax with regard to corporations, it was our attempt to try to standardize that with corporate taxes in other neighbouring provinces. That's why we did it that way.

(1615)

There was a significant tax increase with regard to the resource sector, the net result being an additional \$30 million in corporate tax last year with the same tax customers. This year that tax is increased, I'm advised, another 40 — is it 40 million? — 40 million more this year, so . . . 30 this year, 40 last year? Okay, 40 last year, 30 this year. So it's still escalating up, even with this adjustment, because of the whole package. And to be fair to the system, you have to look at the whole package.

Now if the hon. member, as your colleagues are so great to say, well there's no businesses and business are leaving the province, why is it that the corporate tax revenues have doubled? If all these businesses are leaving the province, if we're cutting the taxes for them, why are the revenues doubled and not so with personal income tax?

Mr. Kowalsky: — Well it all depends where you start, I guess. You inherited some rather growing companies in '81 and '82. But if you take those same figures that you had and start them in '84 and look what's happened from '84 to '89, the picture . . .

Mr. Chairman: — Order, order. Members from the gallery are not to take part in the debate.

Mr. Kowalsky: — So I repeat my comment to the minister. I would challenge you, Mr. Minister, to take a look at the same numbers, at the same figures, but start from '84 to '89 and see how much of an increase you have.

And if you take a look right in your own book, and I'm referring to income taxes because individuals pay other taxes besides income taxes as well, so if you're looking at income taxes, let's compare income tax with income tax, not the total corporate package with just an individual income tax package.

Because individuals not only pay income tax, they also pay other taxes as well — sales tax, which we know very well that you've increased, and where there's increasing revenue from property tax which is going up as a result of

your reduced funding of municipalities proportionately — proportionately they're going up.

The way I look at it from the figures that I get from the blue book, right from this thing here, starting in '84 and going to '89: 156 million in 1984-85 collected in corporate tax; 188 . . . pardon me, 134 million actually in '88-89, projected to be 148.

So fairly well constant, not increasing at the same rate as income tax which was paid by the individuals, which in '85-86, 626 million and now is up to 831 million in '88-89. And I haven't got the projection with me . . . (inaudible interjection) . . . '89-90. Would the members opposite, I would appreciate it if you'd let me continue instead of hollering out at me . . . (inaudible interjection) . . . Oh, one of your back supporters, I see.

The question that I was getting at here, Mr. Minister, are there any companies that have outstanding income taxes to pay to the province of Saskatchewan? I know that your government has made a lot of deals where you reduce the cost of doing business to the companies by giving them money ahead of time. And we have several examples as in the case of GigaText. You gave them money up front, and in the case of Weyerhaeuser, they've got a good deal, and in the case of Cargill, you're proposing another good deal, but I know you do that.

But what the public doesn't know is, is there money that is owing from corporations in income tax to this government like there is owing to the federal government?

Hon. Mr. Andrew: — Well I don't think the hon. member, in fairness, the hon. member understands how the tax system works, the income tax system works for both personal and corporate income tax. If you go to provinces like Quebec where they collect their own tax, they have a personal income tax system and a corporate tax system. The province of Alberta . . . Alberta has a corporate tax system in Alberta for corporations. The rest of the provinces in Canada, including Saskatchewan, are part of the federal or Canada-Saskatchewan Tax Collection Agreement. All those taxes are collected by the federal government — none of them are collected by us — and then the money is rebated back or paid back to the province of Saskatchewan. So for the hon. member to make some suggestion that the deals are cut between the government and an individual corporation, that's not in fact true, and if you understood how the tax system worked, you'd know better than to ask that question.

Mr. Kowalsky: — Are you saying that the corporations . . . that there are corporations that don't pay an income tax to the federal government and to the provincial government?

Hon. Mr. Andrew: — No, I'm saying corporations pay taxes to the federal government pursuant to Revenue Canada's rules in the income tax rules. All the province of Saskatchewan can do is set the percentage rate of the federal tax . . . of the total taxable income, pardon me, of the corporation. So that we don't process a tax return by an individual corporation, whether it's big or small, from within the province or outside the province. They file a

federal tax, Saskatchewan rate.

Mr. Kowalsky: — So I take it from that answer that any time the federal government forgives any corporation a tax, they are forgiving . . . you lose money; we in this province lose money because they forgive the whole shooting match, because we can only collect taxes, income taxes, as a percentage of what is collected federally.

Hon. Mr. Andrew: — But you have to understand that that is tax emanating out of the province of Saskatchewan, all right? I mean, we don't get a Saskatchewan rate on a Quebec company or a Saskatchewan rate on an Ontario company. So if the feds do a deal, and I think what you are getting to is a deal with Inco, that doesn't take tax dollars out of our pockets.

Mr. Kowalsky: — Well now we're getting a little closer. I'm saying now, are there any parallel examples to Inco here in Saskatchewan?

Hon. Mr. Andrew: — Not that I am aware of, no.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

Clause 4 agreed to on division.

Clause 5 agreed to on division.

Clause 6 agreed to.

Mr. Chairman: — Order, order, I'd ask the member for Rosthern to be quiet while the vote's being taken.

Clause 7 agreed to.

Mr. Chairman: — And the member for Regina Centre.

Clauses 8 to 13 inclusive agreed to.

Mr. Kowalsky: — Just for the record, Mr. Minister, I wanted to thank the people involved because I know that . . .

Mr. Chairman: — I'm not quite finished yet.

The committee agreed to report the Bill.

Mr. Chairman: — I'd like to thank the minister and the officials.

Bill No. 78 — An Act to amend The Saskatchewan Telecommunications Act

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Andrew: — With us is John Meldrum, vice-president, corporate counsel; and Greg Hay, director of regulatory affairs.

Clause 1

Mr. Trew: — Thank you, Mr. Chairman. Minister, what we see in this Bill 78, an Act to amend The Saskatchewan Telecommunications Act, is clearly a Bill that is needed because of Conservative government's actions of deregulation. If it were not for deregulation of the telephone industry, there is nothing in this Act that would be necessary.

Yours is the party that is in favour of privatization. That's what this session has been about. Nine and a half days out of 10 has been privatization, and the other half day out of 10 has been with privatization barely hidden below the surface. Your government is a government of privatization and deregulation. Because of that, we are faced with this Bill 78, which is going to consolidate power within executive council of SaskTel.

It's going to allow cabinet to make decisions that were previously not in their realm of decision making. It's the politicization of one of our longest-serving and best Crown corporations. And I say best Crown corporation using whatever definition you choose. It provides service to virtually every Saskatchewan citizen. It makes money consistently year after year. It has always had state-of-the-art telephone equipment everywhere throughout our province. Some people may wonder what I'm talking about when I say state-of-the-art when we still have some — what do you call them? — party lines. Those are soon going to be a thing of the past because of the good work that SaskTel has been able to do over the years in moving its equipment and people, bringing them along up to speed as new technologies become available. And it's a real jewel of the Crown corporations, this SaskTel.

It used to be a place, Minister, where people would seek employment and they would be happy to stay with SaskTel until they retired. They knew they had a place; they knew they'd be treated fairly; they knew things were going to go along. It's no longer that way.

Just a simple little example — I don't want to dwell on it — but a simple little example is the more than 300 Regina information services and telephone operators that are going to be out of a job within a year, out of a job because of your government, because of your rush to privatization, because of your rush to deregulation. And it's interesting, Mr. Minister of Justice, that . . . I'm aware you are not formally the minister responsible for telephones, but in the absence of the Minister of Finance who is, you are dealing with this particular Bill.

It's interesting that the Minister of Finance who's responsible for telephones comes out and says, oh but we're against this deregulation, this particular one that's going to cost SaskTel something in excess of \$30 million in lost revenues. Thirty million dollars is nothing to be sneezed at; that's money that can be used to help pay for the individual line service. That's money that up until now has been used to pay for things like individual line service, and to help keep the costs of providing service to Saskatchewan telephone users as reasonable as it could.

You have taken \$238 million, all of SaskTel's retained earnings last year, took it out of SaskTel. We got into that a little bit last night. Again, I don't want to dwell on it, but

you've emasculated SaskTel, you've taken away its ability to finance from within. And Saskatchewan telephone users, Minister, are going to be paying for your management blunders, your incompetence and your outright errors and your arrogance. They're going to be paying for that for many, many years to come. It's very unfortunate. I wish my words were not accurate; I truly wish they were not. Unfortunately, what I'm saying is accurate.

According to the Minister of Finance, this deregulation ruling of the Supreme Court, and I'll quote from the *Leader-Post*, August 15. I'm going to quote one paragraph, which the title is "Ruling could end SaskTel monopoly." The paragraph I want to quote from says:

Long-distance telephone service is a growing market in Saskatchewan. Last year it accounted for \$158.7 million of SaskTel's general revenues of \$513.4 million.

That was a 7.1 per cent increase over 1987. So income from long distance is becoming a bigger and bigger piece of the pie as far as SaskTel is concerned. And yet we see Conservatives everywhere, federally and provincially, in a rush to deregulate. When I say Conservatives everywhere, I'm going to now quote from the *Star-Phoenix* of the same day, August 15. And the headline is "Ruling costly for SaskTel: Lane \$35 million said at stake." Two paragraphs that are germane to this Bill:

But the court also ruled that AGT, as a Crown corporation has immunity and, unless the law is changed, is not subject to the federal rules.

Now what the court ruling was is that under the current law, Alberta Government Telephones, as a Crown corporation, had immunity from that court ruling. Then, simply two paragraphs later:

The federal government is expected to introduce legislation this fall which could change the current system.

"... which could change the current system." So here we've got CNCP, we've got the private operators, the private companies trying to break into what has been a monopoly for SaskTel, and we've got the federal government expected to introduce legislation this fall to hasten it. Now with your cosy arrangement with Brian Mulroney, why don't you get a hold of them, tell them this is wrong, it's going to be a terribly costly thing for Saskatchewan people.

I realize from question period just yesterday that you don't care about Saskatchewan people. You were taking me to task for raising an issue that was important to a substantial number of Saskatchewan people, and you were poking fun at that then, just yesterday. So you're on record as not caring about Saskatchewan people.

So why don't you contact, Minister, the federal government and tell them, don't be so obstinate, don't change the present system to the detriment of SaskTel. I see the minister busy shaking his head as if I'm

completely out to lunch on this. Shame on me, shame on me for speaking out for Saskatchewan people, Minister. It's just a darned shame that, particularly the front bench, but the government opposite doesn't seem to give a whit for Saskatchewan people, and everybody in Saskatchewan loses under this current regime.

I want to just read a headline; I believe this is from the *Leader-Post*, but it's August 15: "Ruling may lead to uniform telephone service." Well to deal with that just briefly, of course nothing could be further from the truth. What I want to explain and outline is that SaskTel has long had a history of using the profits it makes from the major profit centres — being the large urban centres — its been using that money to some extent to cross-subsidize and to pay for the lines out to rural Saskatchewan and to help pay to keep the cost of that monthly service lower, so that everyone in Saskatchewan can enjoy, as close as possible, the same telephone system.

Now if this federal government comes through with the legislation that allows for open competition, we're going to be faced with CNCP (Canadian national and Canadian Pacific) coming in. They're going to skim off the computer operations from the big corporations in Regina and in Saskatoon, possibly in some of the other major centres in Saskatchewan, and it's going to leave SaskTel holding the bag in many of the more costly areas of the province; and by more costly I mean, quite simply, providing telephones to the farmers and to the remote hamlets and villages of Saskatchewan.

The final newspaper article I want to read a headline from is August 17 *Star-Phoenix* and it says: "Telephone rates could sky-rocket." That one has got it right on. Telephone rates will sky-rocket — that's just the point I've been making — when CNCP and the other private corporations come in and skim off the very lucrative portions of business, and that's all they have to take. When they take off the very lucrative business from SaskTel, SaskTel has to maintain a cash flow and has no choice but to raise its revenue. From where? From the telephone subscribers, the people who use telephones throughout Saskatchewan.

So we are faced, Minister, with an imminent major increase in our telephone rates. And telephone subscribers throughout Saskatchewan know exactly who to hang the blame on. It is the member for Lumsden, the Minister of Finance, who's the minister in charge of SaskTel. He has to take the first and most credit or blame for this rate increase when it comes, or rate increases when they come. But every single member of the government, particularly cabinet ministers — but a Tory's a Tory's a Tory — every one of you who's going to vote with the government regardless of all else, every single one of you is going to have to take the blame for what happens when the telephone rates in Saskatchewan increase. Under your administration, we have seen debt piled upon debt piled upon debt, and I don't see any way of it turning around.

Minister, this Bill unfortunately provides for some very partisan decisions in SaskTel — purely political partisan decisions. And of course by that I'm referring to section 3(4)(b) that says you:

may enter into a special agreement with that person to provide the service in accordance with charges, rates, terms or conditions at variance with or in addition to those set out or described in the schedule.

In other words, now cabinet can make a sweetheart deal to some of your friends, perhaps GigaText, perhaps WESTBRIDGE, perhaps some of your other friends. Perhaps you'll give a whale of a deal to Peter Pocklington, because he has some telephone use. That's what this Bill provides the opportunity for. That's what we fear.

And I'll state what your argument is going to be in part, Minister, and there may in fact be some validity to this. You are saying private, or not in public, that what this Bill allows is for SaskTel to compete with the privates, with the CNCP when they come in and try and skim off that very lucrative deal. This Bill will allow SaskTel to compete. The problem is that CNCP should never have been allowed to come in in the first place, and it's because of Conservative governments, provincially and federally, not standing up for SaskTel users. That's why we're faced with you having to do this.

Some Hon. Members: Hear, hear!

Mr. Trew: — And of course it's a result of the recent Supreme Court ruling. You have, under clause 43.1, sections (a) and (b) deal specifically with that . . . or result specifically from that Supreme Court ruling.

Minister, I am going to allow you to make a response, but before I do I want to again for the record say the Saskatchewan people will judge your government's actions by their telephone rates which are going to radically go up. They will judge you from that. And I very much look forward to your comments on particularly those two sections of the Bill that I pointed out that we have concerns with.

Hon. Mr. Andrew: — Well the particular section that the hon. member refers to is already in the legislation, so his devious scheme does not make much sense.

With regards to SaskTel, SaskTel has the lowest telephone rates in Canada — fact. And SaskTel has a sizeable profit this year, a sizeable profit this year, and has done a very, very good job.

With regard to CNCP, there is no . . . of that competition coming into the province of Saskatchewan. And the hon. member . . . I mean, I will not indulge in what debate should indulge in with the questions the hon. member asked.

This legislation, Mr. Chairman, is designed to protect SaskTel from outside competition. Now the hon. member, if he had read the Bill, would have known that and would have been supportive of this Bill. But no, he stands up and rags on. And what he is basically doing is trying to stop a Bill that's in the benefit of SaskTel to keep SaskTel here and to keep competition out. Now that's exactly what he is trying to avoid, so I would ask the hon. member only to read the Bill, please, before you get up

into your long tirade.

Now the hon. member raises a question with regard to the Supreme Court of Canada. The Supreme Court of Canada came down with a decision that basically says the federal government has the power to regulate telephones. That wasn't us that did that; that was the Supreme Court of Canada. Now we have to face that.

What we have, two things. And the hon. member reads his newspaper. I would ask him to read a newspaper more current than August 15. You've got *The Globe and Mail* on August 23, if the hon. member would keep up with his reading, where it says: "Premiers seek to keep telephone jurisdiction."

(Premier) Devine warned Ottawa not to introduce legislation enforcing its jurisdiction. "They're going to have a lot of people on the other side of that one, including me and others.

"We are not prepared to sacrifice our long-distance capacity and management and revenue."

That's exactly what he said. I'll read the communiqué from the premiers' conference that came up:

The premiers call on the federal government to undertake immediate consultation with the provinces on telecommunications issues arising out of the recent Supreme court decision on jurisdictions over telephones and related services. They agreed that Ottawa must not act precipitously by introducing legislation that would regulate telephone companies currently regulated by provincial authorities.

Provincial responsibility for telecommunications is essential to protect consumers and ensure telephone rates are sensitive to the needs of small and rural communities.

That's exactly what this legislation is trying to do. If you read the legislation, that's what it's trying to do. Now why are you against this legislation? I don't understand that. What it tries to do for the people that want to look is it makes — if anybody comes in here because of the Supreme Court and wants to be competitive, then we say that your rates have to be at least as high as SaskTel's rates; you can't undercut them. It says the terms and conditions of any regulations that you have have to go through this regulation. And it says that anything that you do can be controlled by the cabinet, designed to stop them. That's what this legislation is.

Now why would the hon. member, speaking as the critic for the NDP on telephones and telecommunications, why would he stand against legislation that their party would support? This guy is, Mr. Chairman, unbelievable. He is unbelievable that he would stand against legislation that is designed to stop and prevent the competition coming into the =province of Saskatchewan Why would he be against it? I just . . . I, for the life of me, don't understand.

(1645)

Mr. Trew: — Well thank you, Minister, for that five-minute harangue. I wish you would spend a little bit more time in this legislature because I spoke in second reading on this very Bill, and I said that we would be supportive of the Bill though we had some concerns — those concerns that I am raising right now.

I invite you to review *Hansard* when you get it. You will nowhere find where I said we are opposed to this Bill. Not one place will you find where I said we are opposed to this Bill. I have consistently from the onset said there are a couple of concerns that we have, and you have just spent half of your speech saying, I can't understand why the member would be opposed to the Bill. If you'd just pay a little bit more attention to what's going on, you'd know we're supporting the Bill.

I'm trying to deal with the two areas of concern. I'm trying to get this government's reaction to the concerns in that, but I am running into the same problems that we've run into this whole session. We have got a government . . . we're faced with a government that doesn't know what it is doing. We saw that last night when SaskTel came up, and instead of dealing with the questions, you got up out of it. You just refused to answer, and so that went by the board.

Yesterday in question period I asked you a question about people who were being billed extra money in SaskTel. They were being billed for late payment when in fact they had paid on time, but because of some computer error they're being forced to pay that money. I asked you the question and you made a big joke about me and my telephone bill.

Well you know, as does every other MLA, that we get just something, 112 or \$114 a month as an MLA to pay our telephone bills. I'm certainly not concerned about how I'm going to pay my telephone bill — or we have an option of taking a credit card and having unlimited telephone. So telephone service doesn't cost MLAs anything. So why would I be concerned about my telephone bill? No. I raised the matter in question period on behalf of a great many people throughout this province who were having that bill, that additional 5 per cent added, and they were concerned because they take pride in paying their bills on time and then SaskTel billed them an extra 5 per cent. And you poke fun at me for being concerned for the people of Saskatchewan.

Well I will continue to be concerned for those very people, the people that elected me. Some of those people elected you, sir, and I think that it is our job as MLAs to be concerned about Saskatchewan people. There isn't a corporation around that elected me; it was individual people who elected me. And if they have a concern, I am only too happy and only too proud to be able to come to their assistance in any way that I can. You should earn your pay as well.

The member is wondering how this ties into the Bill, and it ties in because of the remarks you made. You're so out of touch with this SaskTel Bill, you didn't even know — even though we served notice on the government how we're going to vote — you didn't even know how we're going to

do that.

So I can see, Minister, that you are not the minister responsible for SaskTel. You have been asked purely and simply to railroad this Bill through the legislature. Get it through; don't answer any questions. That seems to be the hallmark of this government — never pay attention to what is being stated by the opposition.

I find it really a shame that your government is so out of touch with the people of Saskatchewan. You think a little thing like some extra billing is not worthy of your attention. It may not be worthy of your attention, sir, but I'll tell you there's a group of people on this side of the legislature only too happy to look at those concerns. We will be only too happy, given the opportunity, to pay attention to the people of Saskatchewan rather than your big corporate friends. We want to look out for people. If you can't do it, why don't you just resign and allow a government to take over, a government that again will care for people and won't be so far out of touch.

The point that I'm making about this Bill, Minister — I hear your arguments why you're in favour of it — the point I am making is this Bill would not be necessary if it were not for Conservative right-wing ideology of privatization and deregulation at every turn.

And if you could just realize that two-thirds of Saskatchewan people are not wrong when they're opposed to your government's actions, two-thirds of the people is a pretty strong statement. When you get 66 or 67 per cent of Saskatchewan people outright opposed to your government's actions, you should be scratching your head and saying, maybe we are losing touch with the people; maybe there are some things we could be doing a little bit differently.

Maybe you should spend more time talking to your buddy Brian in Ottawa, so that the newspapers wouldn't know as a matter of common knowledge that the federal government is expected to introduce legislation this fall which could change the current system and allow for private carriers such as CNCP to come into Saskatchewan and to compete, I think somewhat unfairly, against SaskTel; SaskTel, that corporation that provided service throughout Saskatchewan at a time when Ma Bell wouldn't; at a time when the other private corporations weren't interested. Why weren't they interested? Because they couldn't see a way of making big bucks. They knew that Saskatchewan's people were spread over a huge area, and they had no interest in coming in here and trying to provide service. They were willing to come into the major cities, but they were not willing to serve rural Saskatchewan. Because of that, our Saskatchewan telephone system has evolved to what it is today, and we're at risk of losing it because of right-wing Tory ideology.

So I'm more than a little interested, Minister, in why it is you won't spend more time talking to the federal government, lobbying them. I hear your comments in your earlier response about what the Premier has said, but the premier says one thing one day and another thing another. He's answered, or discussed the question of the federal sales tax coming on in this legislation and

defended it, defended it, defended it, said he was in favour of it. Then he goes off to the Premier's conference and in one day — one day — he does a complete flip-flop.

Now I realize the Premier isn't perhaps six-foot-six and maybe can't handle himself in fisticuffs, but he sure did an amazing flip-flop in one single day as soon as he gets away from here. And people of Saskatchewan have simply lost faith, lost trust in your arrogant and out-of-touch government.

I'm curious to know what you're going to do to see that this legislation is not necessary.

Hon. Mr. Andrew: — Well, Mr. Speaker, I've heard everything now. The hon. member has been speaking for roughly an hour now, and one of the rules of debate in this legislature is that — and we have many of them and many good ones — is when we all agree on a Bill, we don't generally debate it very long. And he now stands up and says yes, we agree with the Bill. So what are we doing for an hour here, talking about the Bill? He's debating it, and now he says, well we all agree with it.

Now that makes a lot of sense to me. You argue and you debate in this place when there's a disagreement on something, not when there is agreement on something. Now that's the way debate works in this legislature. I know the member is a new member, but when you disagree, you have debate back and forth; when you agree, generally you don't. Now that's usually what happens.

Now the hon. member says, what are we doing with this. I read out what the Premier said; I read out what the communiqué of the premiers' conference was. The minister is in Ottawa this week meeting with the federal communications officials. We have stated our position. The hon. member says he supports the Bill; then I think we should follow the tradition of parliament. If the hon. member simply wants to stand up and get some practice speaking, well I guess he can stand up and practise his speaking. We all know you need some help, my friend.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

Mr. Chairman: — I'd ask the minister to report the Bill, and I'd thank the minister and his officials.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 94 — An Act respecting Representation in the Legislative Assembly

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

The Speaker: — When shall the Bill be read a third time?

Hon. Mr. Hodgins: — By leave now, Mr. Speaker.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 95 — An Act to amend The Electoral Boundaries Commission Act

Hon. Mr. Hodgins: — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 81 — An Act respecting Rural Municipalities

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. Hodgins: — With leave, Mr. Speaker, I move that the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

(1700)

Bill No. 49 — An Act to amend The Stray Animals Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 30 — An Act to amend The Fuel Tax Act, 1987

Hon. Mr. Hodgins: — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 62 — An Act to amend The Stock Savings Tax Credit Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 63 — An Act to amend The Revenue and Financial Services Act

Hon. Mr. Hodgins: — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 68 — An Act to amend The Income Tax Act

Hon. Mr. Hodgins: — Mr. Speaker, I move the Bill be

now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 78 — An Act to amend The Saskatchewan Telecommunications Act

Hon. Mr. Hodgins: — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 71 — An Act to amend The Renewable Resources, Recreation and Culture Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that Bill 71 be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 26 — An Act to amend The Planning and Development Act, 1983

Hon. Mr. Hodgins: — Mr. Speaker, I move that Bill No. 26 be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 86 — An Act respecting Co-operatives

Hon. Mr. Hodgins: — Mr. Speaker, I move that Bill No. 86 be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 76 — An Act to amend The Credit Union Act, 1985

Hon. Mr. Hodgins: — Mr. Speaker, I move that Bill No. 67, An Act respecting Gaming and the Saskatchewan Gaming Commission be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 67 — An Act respecting Gaming and the Saskatchewan Gaming Commission

Hon. Mr. Hodgins: — Mr. Speaker, I move that Bill No. 67, An Act respecting Gaming and the Saskatchewan Gaming Commission be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

COMMITTEE OF FINANCE

**Consolidated Fund Budgetary Expenditure
Finance
Ordinary Expenditure — Vote 18**

Mr. Chairman: — I'd ask the minister to introduce his officials.

Hon. Mr. Andrew: — The officials with us today, Mr. Chairman, are Art Wakabayashi, who is the deputy minister of Finance; Bill Jones, who is assistant deputy minister of treasury and debt management division; John Wright, executive director of tax and economic policy; Russ Moore, director of revenue operations branch, and Bill Van sickle, executive director, administration branch.

Item 1

Mr. Shillington: — My first question, Mr. Minister, is where is the Minister of Finance when his estimates are before the House?

Hon. Mr. Andrew: — The Minister of Finance is presently in Ottawa today, as you obviously know that I advised you prior to these estimates starting, meeting with the Minister of Communications. It is also the time of the national convention of our party, and as tradition would have it, we would normally be out of the House or adjourning the House so that members of any political party can attend either their provincial convention or their national convention of their party. Many people on this side of the House have not been able to attend that national convention, would have liked to, because the House is still in session.

Mr. Shillington: — Does the minister have any official role before the PC national convention?

Hon. Mr. Andrew: — Now the hon. member is certainly a senior member of our party in Saskatchewan attending a national convention, and I'm sure if there was a national convention of the NDP, members of your party, including your leader would be there as well.

Mr. Shillington: — Mr. Minister, why didn't you go to the convention, and why didn't he stay for his estimates?

Hon. Mr. Andrew: — I would have . . . I, like every one of our colleagues . . .

Mr. Chairman: — Order. I would ask all members to allow the — Minister of Health, Minister of Health — I would ask the members to allow the Minister of Justice to respond to the question.

Hon. Mr. Andrew: — I suppose, as I indicated, many people in our caucus would like to attend the national convention. We decided within our group who would attend the national convention. That decision was taken. Now I can advise, if it makes the hon. member feel better, that my oldest son is there representing the province of Saskatchewan as a youth delegate at that convention.

Mr. Shillington: — I want to say how unhappy I am — and I want to begin the estimates with this comment — I want to say how unhappy I am to have the Minister of Finance absent during his own estimates. It is true, Mr. Minister, that at some times past, perhaps some relatively junior departments, the minister is unavoidably absent.

I've never seen the estimates of the Department of Finance done with a substitute, and certainly not because someone wanted to go to a convention in Ottawa.

Mr. Minister, the convention in Ottawa is little more than an excuse for a holiday, probably at taxpayers' expense. It is, Mr. Minister, completely inappropriate to have the Minister of Finance absent during his estimates. I want to tell you, I'm most unhappy about it.

In light of all that has gone on, I don't propose . . . we don't propose to adjourn the House or call the clock, which we could easily do, don't propose to do that. We could simply call it 1 o'clock and go. We don't propose to do that. But I want to . . . (inaudible interjection) . . . Well if it took 17 days for the Minister of Finance to come back, that might be what it took, I say to the . . .

Some Hon. Members: Hear, hear!

Mr. Shillington: — . . . I say to the member who so distinguished himself as Speaker at 8 o'clock this morning.

Mr. Minister, I want to say to you, and I want to say to the Government House Leader, that this is not going to happen again. If another time the Minister of Finance, and I say the Premier for his own estimates, if those . . . (inaudible interjection) . . . What are we going to do? We're darned well going to stay here till they come back.

We're not going to do it this time, but I want to put the junior House Leader on warning, and I want to put the minister on warning that this is an entirely unsatisfactory way to deal with estimates of this importance.

Some Hon. Members: Hear, hear!

Mr. Shillington: — It's one of the more important set of estimates to come before this Assembly. You may treat this as a trifling affair, and it's perfectly appropriate to go on a vacation in the middle of estimates. We don't treat estimates quite that casually. This may, Mr. Minister, have . . . Your attitude towards the estimates and towards fiscal control, this may be some indication, Mr. Minister, of why we are in the sorry financial shape we are.

Mr. Minister, I want to begin by having you give me the names of the minister's personal staff, their salaries, any increases which they have been given during the last 16 months.

Hon. Mr. Andrew: — I will undertake, if this is satisfactory with the hon. member, to send over or have arranged to be sent over, as I have with the Department of Justice, as I did this morning with Executive Council estimates. And that's satisfactory to the member from Regina North East, it was satisfactory to the member from the Quill Lakes, so I assume, if we could follow that same tradition, I will undertake to send to you all the personal staff of the Minister of Finance, any ones that have been deleted, any ones that have been added. I will send to you what their current salary was and whether that salary was changed over the last year. And I'll make that current to the end of August of 1989 if that would be satisfactory to the hon. member.

Mr. Shillington: — Mr. Minister, it's only satisfactory if I get it within a short period of time. It's not satisfactory to have you send it to me.

I want to tell you, Mr. Minister, that I once went back over a two-year period with this government to see how many of the undertakings that you people made were actually completed in estimates. It was less than one in four over a period of some years.

I have come to understand, Mr. Minister, that most of the undertakings which you give in estimates, you never complete. You never get them. In some cases . . . (inaudible interjection) . . . Well the member from Turtleford claims that he sends all of his. I have never been a critic of that minister, but I say, Mr. Minister, that I don't get most of the undertakings which are given, and I've come not to believe in them.

So I say, Mr. Minister, if you can get them in the next few minutes, that's fine. I believe the public servants who are with you could give them to you, and I believe you could give them to me right now.

Hon. Mr. Andrew: — I would defy the hon. member, if I have taken an undertaking in estimates to send information over, I have always done that. And in my word I give to you that that will be sent over to you within the next 10 days, that is as valid as I can give.

Now the hon. member . . . I won't get into the previous question.

Mr. Shillington: — Mr. Minister, that question is always asked, and the information is given. The ministers who are half-way prepared have the information on a sheet of paper and simply send it over. It is not satisfactory for you, Mr. Minister, to say you're going to give it to me in 10 days; this Assembly is not going to be sitting in 10 days. If there's any follow-up which needs to be asked, it needs to be done right now within the next few hours during these estimates. So I say, Mr. Minister, I ask you to ask your officials, get the information, and have it sent over within the next few minutes.

Hon. Mr. Andrew: — I will see if the officials can get this put together before the estimates are over. Let me say that the hon. member started out about the importance of these estimates and the great importance you put on grievance before supply, as if somehow that you have been stymied. Now we have been sitting in this House . . . this House commenced . . . what? . . . some 125 days ago — 125 days ago. We have passed, in the last four to five days, 65 per cent of the budget — 65 per cent in five days. We've been here 125 days, so you tell me how really concerned you are about the estimates.

Mr. Shillington: — Well, Mr. Minister, if that's an invitation to spend more time on estimates, we may well take that invitation up. Mr. Minister, we have been critical of this government for — and I'm going to get to this in due course — for its misplaced priorities. We have said, Mr. Minister, of this government that you have misplaced priorities.

The public of Saskatchewan are concerned with a number of things, everything from deteriorating roads to deteriorating crops. What are you concerned with? What are you obsessed with is a better term. Privatization, something that's not on the public agenda at all.

Mr. Minister, if we haven't spent more time on estimates it's because the estimates haven't been called in a very timely fashion. Mr. Minister, this is the first time Finance estimates have ever been done on the hundred and . . . well what I would now guess to be the 106th day, certainly with no minister.

Mr. Minister, and one of the reasons why you're at the bottom of the pit the way you are in terms of the public opinion polls is because your priorities are not the public priorities. The public are concerned about deteriorating public services, a deteriorating economy, a deteriorating farm situation. You people, somehow or other, have in your mind that the only thing that matters is whether or not the SPC (Saskatchewan Power Corporation) is publicly or privately owned, and the PCS (Potash Corporation of Saskatchewan) is publicly or privately owned. That, Mr. Minister, is not front and foremost in the opinions of most people in this province.

Well, Mr. Minister, if we haven't spent much time on estimates, that's been our complaint, and that is the public complaint, and that is why, Mr. Minister, you're looking from away back in the wrong ends of the polls — way, way back, Mr. Minister.

Mr. Minister, I want as well the names of the senior people in your department — again, a question that's asked every year — the senior people in your department, their salaries, and what increases they've got over the last 16 months.

(1715)

Hon. Mr. Andrew: — I've got a partial list here and that's why I say it's not a full list of the members of the minister's staff. I will undertake to get the other ones and send them over. I have a list of the senior persons in Finance. What do you want — down to the executive director level? I will also send over to you the list of the senior department officials and their salary increases.

Mr. Shillington: — Mr. Minister, I would like a list of the out-of-province trips the minister made, the cost of the same, and what of his personal staff accompanied him. I do not particularly need to know the names of the members of the regular public service who accompanied him; I do want to know the members of his personal staff who accompanied him.

Hon. Mr. Andrew: — I will send over to you a list, Department of Finance 1988 and '89 out-of-province travel by the Hon. J. Gary Lane, Minister of Finance. It sets out the trips, what the total cost for all persons were, the number of persons accompanying the minister. They don't have it broken down as to who was with the minister; we could undertake to get that for you later if that's satisfactory.

Mr. Shillington: — Good. Mr. Minister, I'd like to know

whether or not any members of the minister's personal staff have vehicles assigned to them?

Hon. Mr. Andrew: — No.

Mr. Shillington: — Mr. Minister, how were the salary increases — and now we're dealing with the personal staff — how were the salary increases arrived at?

Hon. Mr. Andrew: — I'm advised the same mechanism as the out-of-staff employees in the Public Service Commission.

Mr. Shillington: — Mr. Minister, do I take it with respect to the first name on this — I'm dealing now with the ministerial assistants — the first name . . .

Hon. Mr. Andrew: — I don't have the list; what's the name?

Mr. Shillington: — Well, I will ask the page to come here, if I can.

An Hon. Member: — The page is not listening.

Mr. Shillington: — No, the page is not listening. I need a couple of copies of that. Thank you, sir.

Mr. Minister, you say it was arrived at in the same fashion as the salaries with respect to the regular public servants. Would you tell me how that increase was arrived at for the regular public servants?

Hon. Mr. Andrew: — I'm advised that it's on the list and they had to get the calculations for that, so when it comes back they'll be able to tell you.

Mr. Shillington: — You'll note that I have calculated the increase in the salary . . . the December 31, '88 to July '89 it would appear there's a 15 per cent increase in there. Is that accurate, Mr. Minister?

Hon. Mr. Andrew: — The officials will set about to determine the exact formula here from PSC (Public Service Commission). I mean to explain to you the rationale of it, is there was a percentage increase at month so and so and month so and so, that everybody in the public service, out of scope, received. All right? Any other increases would be if the individual had a classification and that classification changed because he went into a different position, then that particular individual would have a classification increase and that would increase on top of that.

Mr. Shillington: — Mr. Minister, you can give me whatever formula you want. What appears on the surface of it is that this ministerial assistant — and we're going to check the others; my colleague is doing some calculating with a calculator — Mr. Minister, it would appear this person got a 15 per cent increase at his salary level which is twenty-seven fifty . . . began at twenty-seven fifty . . . and ended up at that 31,000. How on earth do you justify a 15 per cent increase at that salary level? That's an atrocious increase, Mr. Minister.

Hon. Mr. Andrew: — One of the officials will go out and

call and come back and confirm just exactly what the make-up of those increases were, if that's okay.

Mr. Shillington: — Well, Mr. Minister, we need that explanation. It appears from these documents that over a six-month period they got a 15 per cent increase. Now if we aren't reading the document right, I would appreciate your informing us of that. But that is the impression we get. And, Mr. Minister, if you're going to tell me that they got a 3 per cent increase and everything else was a reclassification, I want to know on what earthly basis they were reclassified, because it appears to me that the whole staff was reclassified, and that is, to put it mildly, a rather odd thing for a Minister of Finance to be doing.

Mr. Minister, what percentage increase did the senior staff in the department get, if his ministerial assistants were so generously treated?

Hon. Mr. Andrew: — One of the officials is out to get that exact information. We will forward that over to you, or I will advise you accordingly once the official has returned, if that's satisfactory to the hon. member.

Mr. Shillington: — All right. Let's go on to his travel expenses. Mr. Minister, I dare say Persian kings travelled with less fanfare than this minister. My Heavens above! He went to Toronto; I don't know if he took the entire Air Canada fleet with him, but it cost him \$5,000. There were three people accompanied him, but still it's an atrocious cost. But that's . . . On that occasion, Mr. Minister, he must have eaten at the bus depot, because on April 16 he went to Japan and Hong Kong with three people and it cost \$34,000. How many hotels did he buy when he was there, Mr. Minister?

Mr. Minister, he went to London, England, and I'm sure he took some cheese sandwiches with him on this occasion because he managed to scrimp by, managed to go to London and scrimped by with no more than \$22,000. He must have lost 10 pounds on the trip. Then he goes to Toronto on October, a mere \$9,000 it cost him. Then he goes to Paris, Geneva, Zurich, Frankfurt . . . I'd better start this again: Paris, Geneva, Zurich, Frankfurt, Amsterdam — described as meetings with the financial community, for \$22,000. What did he do, feed the entire French army when he went to Paris?

Mr. Minister, he went back to Toronto on March of this year with three people and it cost \$5,000. How on earth does one go to Ottawa for three days and submit a bill for \$5,000? The total, Mr. Minister, of this minister's travel expenses is \$100,000. What kind of an example of . . . the Minister of Finance is supposed to set an example of fiscal prudence; he's supposed to set an example of cost efficiency; this minister instead, as I say, is travelling in a fashion which a Persian king would envy.

Mr. Minister, will you explain to me how you can justify keeping people in the city of Regina hungry because you can't afford to buy them food; at the same time, one minister spends almost \$100,000 on travel?

I want to say as well that the occasions when the Minister of Finance needs to travel are really fairly limited in many ways. He minds the shop here. The occasions when the

Minister needs to go to Paris, Geneva, Zurich, Frankfurt, and Amsterdam for \$22,000 are very, very limited.

An Hon. Member: — Who's paying for the trip to the PC convention?

(1730)

Mr. Shillington: — That's a fair question, Mr. Minister. How much did it cost the taxpayer to send him to the PC convention? Am I to assume that next year at this time I'll get another bill for 6,000 bucks for the trip to the convention? Heavens, Mr. Minister, you could have taken us all to the PC convention for that price.

Hon. Mr. Andrew: — The hon. member is at the PC convention on his volition and that's standard . . .

An Hon. Member: — But whose cost? It's his volition, but whose cost?

Hon. Mr. Andrew: — It's his own cost, it's his own cost at the PC convention. The minister is at the PC convention on his cost, all right. . . (inaudible interjection) . . . That's exactly what I said.

With regards to the various trips, the Minister of Finance has the obligation that all ministers of Finance, certainly for the last number of years or decades, have travelled traditionally to Europe, to New York, and of recent times because there is borrowings in the Orient, to the Orient on various borrowings. And that simply is the cost involved with that.

Now I don't know what it costs for an airline ticket from Regina to Toronto and Toronto to Ottawa and then Ottawa back home, but I would guess it in the area of \$900. As I say, I don't know, but I would guess that's what the cost of it is.

Mr. Shillington: — Mr. Minister, that's atrocious, that's absolutely atrocious to be spending \$100,000 on travel. Mr. Minister, there's no . . . I really want you to tell me why the Minister of Finance had to go to Japan. I would suspect that only really one person needed to go. I really wonder what value was served by having the political arm go to Japan as distinct from some official — if anyone had to go.

Mr. Minister, you say "for decades". Well that is just simply not accurate. Let me . . . (inaudible interjection) . . . No, I'll allow you to answer it in due course, Mr. Minister. Mr. Minister, let me give you the travel expenses the last year the Blakeney government was in office — that's '80-81, Mr. Minister — let me . . .

An Hon. Member: — Was that after Jack Messer resigned?

Mr. Shillington: — Yes, all right, we'll give you Jack Messer's expenses. Just a minute. Let's get Jack Messer's expenses out of the *Public Accounts*.

Mr. Minister, I say as well that the — you can ask, I'm sure your deputy minister knows this — inflation has gone up

by 58 per cent since these were prepared. So to these figures, you can add 50 per cent. The member from Meadow Lake wants to know what Jack Messer, the then minister of Economic Development and Trade, spent on travel expenses. He was much criticized by the members who were there. In fact, I believe he earned the nickname Messerschmits. Messerschmits.

How much did Mr. Messer spend? Mr. Messer's travel expenses came to \$10,721. That's the *Public Accounts* from '81-82 . . . (inaudible interjection) . . . All right, the member from Meadow Lake says that part of that might have been charged to the Potash Corporation of Saskatchewan. In fact, none of it was. It was not the practice to do that then.

Let me give you the expenses of the minister of Finance. I may say the same — I cannot use this name because the same member now serves in a distinguished capacity as the member from Regina North East, the deputy leader of this party — but that member . . . (inaudible interjection) . . . yes, a distinguished capacity. That member spent \$7,735 on expenses. Mr. Minister, this is just obscene to be spending \$100,000 on expenses.

Mr. Minister, at a time when you cut food subsidies to northern Saskatchewan — I wish the member from Athabasca, the member from Cumberland were here, Mr. Minister — you've cut the food subsidies from . . . to the people of northern Saskatchewan. It cost you a quarter of a million dollars, and you cut it because you couldn't afford it.

What can you afford? A hundred thousand dollars to send this minister jetting to Toronto for \$5,000. How do you spend \$5,000 going to Toronto? I just got back — at my expense, I want to add — and I say, Mr. Minister, that the plane tickets are about \$700. And where on earth do you stay for the other \$4,300? They don't have rooms in Toronto that are that expensive. What did he do? Entertain the entire Ontario public service for \$5,000? How on earth do you spend that much? Mr. Minister, this is absolutely an obscene figure.

I'm going to ask you for something else, Mr. Minister. I'm going to ask you for the travel expenses of all of the ministers of Executive Council. Having got this, I think that's information we're entitled to and should have got. So I ask you, Mr. Minister, for an undertaking that you will give me the travel expenses of all of the ministers of the Crown. I'll bet you, Mr. Minister, the total figure is absolutely obscene.

Hon. Mr. Andrew: — Let me go back and respond for the hon. member to a previous question he asked with regards to ministerial assistants and their salary increases. I'm advised the following by the officials: that September 1 there was a 3 per cent increase; October 1 a 3 per cent; July 1, '89 a 4 per cent increase, which was the same as the SGEU (Saskatchewan government employees union) contract, which was the same as out-of-scope people in the public service, and therefore applied to ministerial assistants. On January of '89 this particular individual had an increment of 4 per cent so he went to a different category because he had added responsibilities. That applies to some ministerial assistants; it doesn't apply to

all. Just as it applies to some out-of-scope people; it doesn't apply to all, and I suppose with in-scope the same could be said.

Now that's with regards to the . . . The hon. member would have us believe that the figures that I sent over to him, and he asked for the number of people on the trip. And I gave him that information — with regard to the minister himself — the cost of those trips and what they were for, and I will get through those with him, for the hon. member.

Ministers of Finance in your government and in our government have traditionally travelled to the places once or twice a year where you either are dealing with bond ratings, in which case you go to New York. Number one, you do that. Number two, you go to the places where you borrow money. Now the member you referred . . . you referred to the member from Regina North East went to Europe. You say you don't need to have the minister with you when you are (a) doing borrowings or visiting the various financial centres. That is done traditionally in this province by the Minister of Finance, and it's done traditionally by all other provinces and the federal government across this country. So that is in fact done by others.

With regards to the cost of trips, that's for the entire group. That's not for the minister himself, and so I don't think it's fair if the hon. member is trying to allege that the costs of the figures I sent to you were totally for the minister himself. I think that would be not properly representing the information I provided to you.

Mr. Shillington: — His office, Mr. Minister, the cost of the ministerial travel in this department is \$100,000, and that's an absolutely obscene figure. Mr. Minister, at a time when people are going hungry, the oldest injunction to any government is to "feed thy people." You aren't doing that. People in this city are going hungry, and you people are travelling in a fashion which ought to embarrass you.

Mr. Minister, how do you justify a \$35,000 tab to Japan or Hong Kong when you're got people are going hungry, when you are unable to keep ordinary services going, Mr. Minister, for cost of . . . I asked you for similar figures for all of the cabinet, and I'd ask you to give me the undertaking, Mr. Minister, that you'll give me that if you don't have it present. Now that we find out that one has spent \$100,000, we obviously want to know what the total bill is.

Hon. Mr. Andrew: — Well the hon. member would know that in the orders for return that were passed and approved by this House, that very question was put on the orders for return. And the information was provided last year, it was provided the year before, and it'll be provided this year. And I give the hon. member that undertaking.

Mr. Shillington: — Mr. Minister, you don't answer the orders for return either, so it's of scant benefit to us, that orders for return, because you don't answer them.

Mr. Minister . . . (inaudible interjection) . . . oh yes indeed, the government has no problem in passing orders for

return; it's answering them that you fall so wilfully short. You are a couple of years behind in answering orders for return, Mr. Minister.

Mr. Minister, all I can say is you're going to hear a lot more of this \$100,000 figure. That's all I can say, Mr. Minister.

Mr. Minister . . .

An Hon. Member: — Go and fall on your head over there.

Mr. Shillington: — The member from Meadow Lake is inviting one of our members to fall on his head. I think you people have already done that when you're spending a hundred thousand dollars on travel.

Some Hon. Members: Hear, hear!

Mr. Shillington: — No other explanation for spending \$100,000 on travel during a period of apparent restraint.

Mr. Chairman: — Order, order. I'd ask . . . the member for Wascana and the member for Meadow Lake, I'd ask all members, and members on the other side of the House too, let's keep some decorum in here and allow the member for Regina Centre to put his questions and the minister to answer.

Mr. Shillington: — Mr. Minister, in the midst of all this I did not get those percentage increases. The minister had it written down in his handwriting, and it's satisfactory if you just send it to me in your handwriting, the increases given to the ministerial assistants. Yes, just give me the top sheet off that paper. That's all I need.

Hon. Mr. Andrew: — I indicated to the hon. member, if you wish to write this down, September 1, 3 per cent; October 1, 3 per cent — this is the same for SGEU (Saskatchewan Government Employees' Union) and the same for out-of-scope public servants — July 1, 4 per cent.

Now with regards to the merit increase, this particular individual was given an increment within the range of 4 per cent. So that was, I said, 4 per cent. That's what I indicated the figures were. Some have increments, some do not have increments, whether they are ministerial assistants, whether they are out-of-scope employees, or whether they are in-scope employees.

Mr. Shillington: — Mr. Minister, I now had an opportunity to do calculations for the others. Apart from one individual who came on March 1 and therefore doesn't fit into it, but the others all got 14 per cent increases. I don't want to spend for ever on this, Mr. Minister, but I do question whether or not you can legitimately give all of the ministerial assistants the same increase. If it's a merit increase, then you only get it for particularly exceptional service. That's not what happened. Every single one of these got the same 14 per cent increase, so every single one of them got it.

What I take it, Mr. Minister, is if you work for the Minister of Finance you get special treatment; everybody gets the merit increase. In fact, this is a 14 per cent increase in one

year, Mr. Minister. If it's merit, then I simply can't believe it went to all of them, Mr. Minister. I would ask you to comment on the fact that they all got the same percentage increase.

Hon. Mr. Andrew: — Well the two other people that you're talking about are secretaries in the minister's office, and so if we're down to dealing with minister's secretaries, they had the same increase as would, let's say, a secretary working in-scope or a secretary working in the deputy's office. And if those particular individuals, let's say, had been there for a period of time, let's say not unlike a school teacher, if you have an extra year you get an incremental increase in what your salary is. So clearly they had . . . some of them perhaps qualified for that and went up to the next category.

(1745)

Mr. Shillington: — Mr. Minister, the next question I want to ask you is what you project the deficit to be at the end of the current fiscal year?

Hon. Mr. Andrew: — We are still . . . to the hon. member if he's interested. The hon. member . . .

An Hon. Member: — I'm listening. Unlike you, I can chew gum and walk; I can do two things.

Hon. Mr. Andrew: — We are shooting for the target as set out in the budget statement by the Minister of Finance. I believe last year, if you looked at his number, it came in clearly within 1 per cent of the number, and we would still see that as a potential. Barring some calamity, barring if it rained for the next 40 days and the crop doesn't come off, I suppose you have some problems there, barring the eventuality or the possibility that the price of oil was to drop back to \$10 and potash drop in half, or interest rates increase to 18 or 29 per cent. But, you know, barring those types of things, we believe that we can get the target that we set out in the budget.

Mr. Prebble: — Well, Mr. Chairman, thank you very much. Mr. Minister, you've just told us that you spent \$100,000 travel expenses for you and your officials.

An Hon. Member: — Not me.

Mr. Prebble: — No, no, no, no, I'm not referring to you personally; I'm saying the Minister of Finance has spent \$100,000 — he and his officials have spent \$100,000 on travel in the past year — you and your personal staff, Mr. Minister, the Minister of Finance and his personal staff. Now I can see why the Minister of Finance, the real Minister of Finance, the member for Qu'Appelle, did not want to come for his estimates, Mr. Chairman. It's becoming very obvious why he's not here.

But I want to ask the minister if he can explain to the Assembly how, in light of the fact that the Minister of Finance and his personal staff have had \$100,000 of taxpayers' money to spend on travel alone, if he can explain in light of that why the government doesn't have what would be approximately, from the point of view of the cost of taxpayers, about \$250,000 that would be matched by the Government of Canada for a total of half a

million dollars to finance a school breakfast and school lunch program in schools in this province where hunger is a demonstrated problem.

You will know, Mr. Minister, that it's been estimated that the cost of running such a program in the city of Regina in schools where there's a demonstrated need is in the range of about \$180,000 a year, of which half would be financed, Mr. Minister, by the federal government and half would be financed by the provincial Department of Social Services. You will know that such programs are automatically cost-shared, and every time we have asked you about the need for such a program and whether or not you would put it in place, your government has declined.

Now the cost of running that, Mr. Minister, in the city of Regina, to your provincial government — and I'm using here now the figures that have been compiled by the Regina School Board and citizens groups in the city of Regina that have been working on this issue — the cost to the province would be \$90,000, Mr. Minister, which is less than the cost of the travel for the Minister of Finance and his personal staff.

Now here we're getting at the question of priorities, Mr. Minister. Can you explain, if you've got \$100,000 of taxpayers' money to spend on travel for one minister and his personal staff, why you don't have \$90,000 of provincial funds to finance a school breakfast and school lunch program in the city of Regina where children are going hungry and there's an obvious need for such a program?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well first of all, the hon. member should know that the travel by the minister, and I indicated to the hon. member opposite, accompanying the minister was people like Art Wakabayashi, who is the deputy minister; Bill Jones, who deals with all the investments, borrowings for the province of Saskatchewan. And I'm not sure that the hon. member is being fair to say that these particular individuals are personal staff of the Minister of Finance.

Now I don't believe that to be the case. If he is to refer to these individuals as personal staff, personal staff, I always thought, referred to as the so-called political staff of a minister. And I don't think it would be fair to the hon. member to suggest that Mr. Wakabayashi is a political staff person to the Minister of Finance. He has served a long and distinguished career both in the civil service of Saskatchewan under the Thatcher government, under the Blakeney government, under the present government, and also a distinguished career in Ottawa in the federal government.

With regards to the expenditures in Education, I think that's what the hon. member was asking, the expenditure by this government on Education this year, the largest expenditure ever — \$841,210,000. Eight hundred and forty-one million dollars we spent with regard to education.

Now the hon. member says that well you should spend more. And I'm sure the hon. member would stand up and

point out chapter and verse as to where we should spend more in the area of education.

Now the Education budget this year increased in expenditure some 7 per cent, or approximately 7 per cent, which is higher than the rate of inflation; higher, I suggest to you, than the rate of inflation, a substantial increase of a substantial budget. I doubt that there is many Education departments across Canada this year that received a 7 per cent or higher increase in funding.

Now as the hon. member would know, that funding goes to a variety of people in a variety of ways. The largest part of it, obviously, goes to what you can call as third parties — the university, the technical schools. It can go to the local school boards. Now local school boards then have a decision as to how they are going to spend their money, and expend their money, and that's exactly what they sit down and do.

Now I'm sure the hon. member from Saskatoon University has stood in his place in this Assembly and suggested a number of expenditures that he would prefer, as opposed to the expenditures perhaps that we opted to do here, and I guess that's the political process. He would tend to spend his dollars in a different way and put allocation and importance on things in a different way. But with regard to the spending, the specific spending in education, it's gone up 7 per cent. It's now at a figure of \$841 million, and I would think that's a sizeable increase and a sizeable budget for that department.

Mr. Prebble: — Well, Mr. Minister, I notice that you gave us an eight-minute discourse that had absolutely nothing to do with the question I asked, and you know full well, because you have no justification, sir, for why your government has no money for school breakfast and school lunch programs for children in cities like the city of Regina that are going hungry, while you have \$100,000 for one minister and his personal staff, regardless of how you define it — we'll include the deputy minister if you like — for travel within Canada and around the world. I mean, that is incredible, Mr. Minister, and it says everything about the priorities of your government.

Mr. Minister, I wonder if you can explain, in light of the fact that you have money for these expenditures, I wonder, Mr. Minister, if you can explain to me why your government, with respect to residents of northern Saskatchewan, finds that despite the fact that to feed a family of four in the northern community of Black Lake costs \$867.60 a month for food alone since you removed the subsidy for transporting food into the North — you will now know, Mr. Minister, that the cost of feeding a family of four in Black Lake is \$867.60 a month.

Now I wonder, Mr. Minister, if you can explain why, in light of that, this family is only given \$780 a month for food, clothing, and all personal costs other than housing, Mr. Minister, \$87 less than the cost of food alone. That's what your total social assistance payment to that poor family is — \$87 less than the actual cost of purchasing food now that your northern food transportation allowance had been removed.

I wonder, Mr. Minister, if you can explain to me how it comes to be that the Minister of Finance has \$100,000 for travel for himself and his staff in a single year, while this family in Black Lake is short \$87 a month just on food alone, leaving them nothing for clothing, nothing for travel, nothing for all other personal expenditures other than housing. How do you explain that, Mr. Minister?

Hon. Mr. Andrew: — Well first of all, I don't necessarily accept the hon. member's figures at face value. We have in the past found that that's not necessarily acceptable to do. What I am going to do though is have . . . the members are making quite a to-do about the cost of travel. I'm going to have one of the members of the Board of Internal Economy draw the numbers for what the travel expenditures of members of the legislature are, and I'll have that for us in a period of time and we will see how useful that information is as well. And I will bring that forward and then we'll make a comparison by individuals, and we'll make that comparison as to what that comes to.

With regards to the particular individual, the specifics of the question the hon. member asks — and the hon. member being a fair-minded person — the tradition of this Assembly on those type of questions goes to the Minister of Social Services and you deal with it in that forum.

Now I will undertake in a fairly broad way to attempt to deal with the estimates of the Department of Finance. I don't think the hon. member would expect the officials of Finance to have the details readily available with them as to the exact breakdown of Social Services expenditures and that type of thing.

If the hon. member would then ask . . .

An Hon. Member: — It's a question of priorities.

Hon. Mr. Andrew: — Well the hon. member asked about the priorities, and certainly Education had a significant priority in this budget — significant priority in this budget . . . (inaudible interjection) . . . increased the expenditure that much. Well let's look at Social Services. It went up 6 per cent; that's higher than inflation. The budget being, 1989 blue book number, 380 million — almost \$381 million being expended for the budget on Social Services, again over a 6 per cent increase.

Would the hon. member suggest to me that when Finance look at this that you want to increase the Social Services budget? Is that what the hon. member would suggest? And how much would the hon. member suggest that would increase? Have you done a calculation that you could . . . Has the hon. member made a calculation as to what his projection is that — he's talking about priorities — what he would suggest that the government increase Department of Social Services budget by as opposed to the 6 per cent it was increased by this year?

Mr. Prebble: — Mr. Chairman, my suggestion to the Minister of Finance is that he cut his travel budget to \$15,000 a year, take the other \$85,000 and put it into a school meal program in the city of Regina; it will be automatically cost-shared by the Government of Canada.

Why don't you do that just for starters?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — I take it that the hon. member would suggest that the officials of the Department of Finance not travel or that the Minister of Finance not travel as do all other ministers in all other provinces and all other ministers and all previous governments of this country. He's saying, don't travel. Shouldn't pay them any travel. You should put all your money to that. If you were to be serious about that, you'd take half your salary and half your allowances and do exactly the same.

(1800)

Mr. Shillington: — Well, Mr. Minister, what an absolutely warped set of priorities. Mr. Minister, the Minister of Finance goes to Paris for breakfast; the children of Regina go to school without breakfast, and as a result, Mr. Minister, they have difficulty learning. What a warped, warped, warped sense of priorities.

Mr. Minister, I want to get on to a different subject, Mr. Minister. I want to suggest to you, Mr. Minister, that the reductions in the deficit which were achieved this year are not sustainable. I want to suggest to you, Mr. Minister, that they were done by means which are artificial and which cannot be repeated.

I want to begin, Mr. Minister, by dealing with the machinations with respect to SaskTel. Mr. Minister, \$200 million . . . I want to repeat the following figures for you. I want you to make sense of these figures for me: \$100 million came as a dividend from CIC (Crown Investments Corporation of Saskatchewan); \$250 million was injected into SaskTel; \$238 million taken out. Mr. Minister, I'd like you to relate those figures to me and explain to me: (a) how those figures came to be; and (b) how such a removal of retained earnings is going to be accomplished on an ongoing basis.

Mr. Chairman, if I can get someone's attention here. I don't want to make a nuisance out of myself, but if I could have a microphone, I'd make a comment. Thank you.

Mr. Chairman, I just want to make . . . Mr. Minister, I want to make one other point. This travel does not include in-province travel. When you compare the members with the minister, you're comparing two different things. This does not include in-province travel. That is not in here at all. It goes under a different vote actually, and this doesn't include in-province travel at all. You can't legitimately compare members who travel around the province in connection with their duties with a minister who spends \$100,000 jetting around the globe.

But as I say, Mr. Minister, I want to get on really to the question of whether or not the reductions in the deficit can be sustained. I suggest o you they cannot.

Hon. Mr. Andrew: — The hon. member's question is this: is the deficit as projected this year, can it be attained this year? I indicated earlier that that we believe it could be attained. The hon. member then says, can it be sustained over the next few years? I believe that's the question the

hon. member poses. Can the deficit of Saskatchewan be either held where it is next year and the year following; could it be reduced or will it be increasing? I think was the hon. member's question. Fair enough question.

This year, I believe, there's \$200 million that goes from Crown Management Board to the Consolidated Fund. Now if we were to look over a period of time as to the contributions to the Consolidated Fund by the Crowns, this number here would be higher than, let's say, the last 10-year average by a fair distance. The last 10-year average would be probably close to, what? — \$25 million.

So it would be with regards . . . well I'll go through it with you. Here's what the Consolidated Fund received by way of dividends over the years. In 1960 to '61, 2.6 million; 1961 to '62, 3 million; 1962 to '63, 5.2 million; '66 to '67, 5.9 million; '67 to '68, 9.1 million; '68 to '69, 8.7 million; '69 to '70, 9.4 million; '70 to '71, 16 million — I'll just go to the 16, I won't go to the points to you; '71 to '72, 11; '72 to '73, 17; '73 to '74, 18; '74 to '75, 9; '75 to '76, 13; '76 to '77, 17; '77 to '78, 17; '78 to '79, 22; '79 to '80, 46; 1980-81, zero; 1981-82, 50; 1982-83, 42; '83 to '84, zero; '84 to '85, zero; '85 to '86, 25; '86 to '87, zero; '87 to '88, zero; '88-89, zero.

The dividend this year will be \$200 million. And the decision taken by the government is that the Crown corporations, either through their profits that they are to make, or through the sale of Crown corporations, that the benefit of that or the large majority of the benefit of that should go to the Consolidated Fund to defray the costs of providing government to people; or to assist in (a) reducing the debt; (b) reducing or holding the line on taxes; or (c) to add to the costs of increasing the expenditure of government. Now that's the decision taken.

Now will in future years that number be sustained? Perhaps it won't. But what one has faced over the last few years, certainly last year, is probably the worst crop that this province has had in . . . perhaps for ever with the drought, resulting in a significant loss in economic activity in this province, a significant loss therefore in revenues to government through taxation; and on the other hand, because of the problem associated with the farm, a significant increase in the spending towards agriculture.

We also faced a problem where the oil prices went down. They have since recovered and are sitting at a more acceptable level now, but that could change dramatically. If the price of oil and the price of potash and uranium were to escalate, the province of Saskatchewan would quickly find itself back into being able to provide surplus budgets. That's the reality of it.

So while one has to project out sometimes, I suppose you always project based upon rather normal times with the standard increases by way of inflation and growth, and with that inflation and growth we believe that we can, with modifications — and obviously there's going to be modifications in government — maintain that targeted amount of the deficit.

Mr. Shillington: — My point exactly, Mr. Minister. You made the argument more eloquently than I did. You took out more last year than you took out in the 10 preceding years or in any 10-year period, Mr. Minister.

Mr. Minister, I specifically asked you to relate the \$200 million extraction of money from CIC to the following figures in SaskTel annual report, and I suggest they are related. The figures are as follows: you injected what is described as an equity advance of \$250 million; you declared a dividend from SaskTel of \$238 million. I ask you, Mr. Minister, to relate that bit of chicanery — and I think I'm being as kind as I can; a more correct description I think would probably not be parliamentary — I ask you to describe that bit of chicanery and to relate it to the \$200 million dividend which you received from CIC.

Mr. Minister, I'll give you some assistance. The contribution of the member from Melfort, when I asked him the same question was . . . his contribution was, oh we just round off the figures. So if you care to start from that vantage point, we'll go from there.

Hon. Mr. Andrew: — Well to the hon. member, the dividend paid to the Consolidated Fund by Crown Management Board came from the profits earned by the various corporations paying into Crown Management Board. Crown Management Board then paying a part of that profit over to the Consolidated Fund.

I believe the profit from SaskTel was — what? — \$70 million this year. I think it was somewhere in that. So the \$70 million from SaskTel would be paid over into the consolidation through CIC or Crown Management Board. Part of that defrays any interest costs that are still housed in Crown Management Board. And if there is a profit then left, then the profit comes paid over to the Consolidated Fund.

Mr. Shillington: — Mr. Minister, this is my complaint about doing estimates with someone who is not the minister of Finance. I'm going to be very generous, and I make the assumption that you do not understand the question that was asked. The question is: what relation . . . the question is . . . while I wait till the member from Morse . . . Whatever lay shrouded in darkness will be clear now that the member from Morse is assisting the minister of Finance.

Mr. Minister, you took 200 million out of the CIC. My question was: what relation does that bear to the chicanery with SaskTel where you took out 238 million and put back 250 million? Why did you take 238 million out of SaskTel and put 250 million back? And what relation does that bear to the \$200 million which you took out of CIC?

(1815)

Hon. Mr. Andrew: — I will attempt to give my explanation to the hon. member. SaskTel transferred its retained earnings to the Crown Management Board. That was in the amount of \$238 million. Therefore CIC's retained earnings were increased but its cash position

was not increased because it in turn paid back to SaskTel 250. Therefore the balance sheet of SaskTel improved, the retained earnings of CIC improved. Now is where the hon. member makes his mistake, is that without a cash position, cash profit, CMB cannot make payments over to the Consolidated Fund. So the money going over to the Consolidated Fund came from the profits of the various corporations, not from the transactions that the hon. member refers to in SaskTel. In fact, SaskTel increased their balance sheet by \$12 million because of that transaction.

Well the hon. member now tries to deflect from this. But if SaskTel improved its position by \$12 million, the hon. member would have us believe that they then simply stripped this out without having a cash profit of that. That is, in fact wrong and inaccurate, and any moneys paid over by CMB had to be paid over by cash profits.

Mr. Shillington: — Mr. Minister, let me give you some assistance in why this was done. I'll tell you why it was done. It was done to hide a deficit. If you had . . . Mr. Minister, the reason why you took \$238 million out and you put 250 million back in is because there's a difference in the financial year, and by playing on the difference in the financial year, Mr. Minister, you can hide and move forward in time. A \$250 million touch will eventually come home to roost, but that will be after the election, and either you'll be safely ensconced in office or it will be our problem. That, Mr. Minister, is why you took 238 million out and put 250 million back. You are playing on the difference between the fiscal years, and by so doing you're moving the deficit, that much of a deficit forward in time.

We have established, Mr. Minister, that you're taking far more in dividends from the Crown corporations than is sustainable. I want to suggest to you, Mr. Minister, that you're also taking farm more from the Liquor Board than is sustainable.

Mr. Minister, the profit in the Liquor Board in 1988-89 is 119 million, roughly. Mr. Minister, that hasn't changed much in the last 10 years. In 1983-84 — I just happen to have that set of estimates with me — the profit was \$107 million. The average, Mr. Minister, over the last 10 years of the profit in the Liquor Board has been \$112 million. This year, Mr. Minister, you took out \$215 million.

Once again, Mr. Minister, this is not a sustainable flow of cash. You took a one-time-only helping from the Liquor Board, and you can't do it again. Once again, Mr. Minister, this is not, in a true and factual sense, balancing your budget. You are simply robbing the tobacco tins, if I can use that phrase, which have been put away in previous years and by previous governments. And you can't do it for ever. You may have got your deficit down this year, Mr. Minister, but you can only do it for over a very short period of time.

And if, and I don't believe this for a moment, if the public are foolish enough . . . well, no matter who is elected after the election, the deficit is going to balloon up because this bit of chicanery is not sustainable. You can't take \$200 million out of the Crown corporations on a sustaining basis; you can't take \$200 million out of the Liquor

Board. You are robbing . . . you are stripping funds from the Crown corporations in a fashion which cannot be sustained, and you are producing an artificially low deficit.

Mr. Minister, your management is no better than it ever was. This province still has unacceptably high deficits, Mr. Minister.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — The Minister of Finance has said on a number of occasions that in fact the draw down from the Liquor Board was higher than actually was earned in the Liquor Board this year. Some years it's higher, some days it's substantially lower, and it's always been used that way.

I can advise the hon. member that when we took office in 1982 the retained earnings in the Liquor Board was \$61 million. Today, the retained earnings in the Liquor Board is \$92.9 million. So there is clearly a significant retained earnings in the Liquor Board of some \$92 million, and I believe that that is an adequate retained earnings in that particular position.

As the Minister of Finance has indicated, we have been through a drought, we have been through some difficult times, and often you store up money within the Liquor Board and pay that out in difficult times.

Mr. Calvert: — Thank you, Mr. Chairman. Mr. Minister, there are several thousands of people in Saskatchewan who invested money in Principal Trust and today are wondering exactly what is happening in regard to the response of your government and the actions of the Alberta government. Mr. Minister, it has been the Minister of Finance who has responded to my questions, and so I assume that the Department of Finance is the department that's undertaking negotiations with the Government of Alberta in this matter.

Mr. Minister, on July 28 in this House I asked the Minister of Finance about the efforts of your government in lobbying the Alberta government for support for Saskatchewan investors. On that day he promised me information; he promised me the correspondence. A week later I put the same question to him, reminding him on that day that I had not received the promised correspondence. He said that day he would provide it the very same day. I still have not received that correspondence.

Mr. Minister, could I have your assurance that I could receive that correspondence, copies of the correspondence between your government and the Government of Alberta?

Hon. Mr. Andrew: — Mr. Speaker, if the hon. member indicates that the Minister of Finance has undertaken to provide you with correspondence, then I will give you this undertaking: will remind him of that, and I am convinced that the hon. member will be good to his word and provide you with that correspondence.

Mr. Calvert: — Well, Mr. Minister, I've had twice from

the Minister of Finance, that commitment. In fact, the last time he made the commitment on August 4, he said he would do it that very day, that very day. Now that's 21 days ago, a month ago from when I first put the question.

Mr. Minister, like, it's very difficult to trust what you say here. So can I have your assurance again that that correspondence will be provided to myself and the opposition and the people of Saskatchewan?

Hon. Mr. Andrew: — The hon. member can have my assurance.

Mr. Calvert: — Mr. Minister, your Minister of Finance has indicated that the position of the Government of Saskatchewan is that the Government of Alberta should make good to 100 per cent of the investments lost by Saskatchewan residents. Will you report to the House tonight the status of your negotiations as a government with the Government of Alberta to be sure that that happens? What is the status of the negotiations? What is the position of the Alberta government today?

Hon. Mr. Andrew: — I can advise the hon. member that while negotiations are still going forward between our government and the Government of Alberta, I can also . . . I'm advised that those same negotiations are going on between the Government of British Columbia and the Government of Alberta. To date, Alberta has not moved off its position, as announced by the Premier following the Code inquiry, to pay a certain percentage of the investment back and not the full amount of the investment back. Those negotiations are ongoing.

At this point in time, I think they are being reviewed as well by various people in the legal community as to potentials for legal action in that regard, both by the individuals and the status of the Government of Saskatchewan and the Government of British Columbia, pending those if legal action was commenced.

Mr. Calvert: — Mr. Minister, you will understand there is some urgency to this in that the depositors, the investors are this very day having to decide on their claims with the Government of Alberta, and so on. Two questions: who is conducting negotiations between governments on behalf of the province of Saskatchewan? Who's doing that negotiating with the Government of Alberta? And, Mr. Minister, how soon might these investors and we expect some definitive answer on what the situation will be?

Hon. Mr. Andrew: — The individual that has been sort of heading the file with regard to the civil service is one Al Higgs. I don't know whether you know Al Higgs or not. When he's not working for the government he's the chaplain at the RCMP depot. He has been on this file from the beginning. He has attended the Code inquiry, a great deal of the Code inquiry, along with the legal community. People in Justice are looking at the legal implications of it. People in the minister of consumer and corporate affairs' office are looking at and co-ordinating with some of the other provinces.

Mr. Calvert: — Mr. Minister, I also asked when might we and the investors expect some kind of a definitive answer on this question. You do, I hope, understand the urgency

in this.

Hon. Mr. Andrew: — Well I think if the hon. member can appreciate the nature of the negotiations, that's a pretty difficult question to answer in a very definitive way. To say when are we going to have the answer on this, I can't answer that question precisely enough for you. Will it be three weeks from now? Will it be three months from now? Will it end up in court? And should that eventuality happen, then probably it's going to take some time.

So I can't answer the question. I'd like to answer the hon. member's question. I can't, in fairness, because he is trying to be too specific when negotiations are currently going on between the various players — the Government of Alberta and various players in our province, the province of British Columbia, the province of Manitoba.

Mr. Calvert: — Mr. Minister, would you clarify another issue for me. Who does Mr. Higgs report to? Is it the Department of Finance, or your department, the Department of Justice, or is it the Department of Consumer and Commercial Affairs? To whom does he report?

Hon. Mr. Andrew: — If you ask what is sort of the line of command on this, the decision was taken by the Premier, I believe, that the Minister of Finance would sort of be responsible to answer public questions with regards to the problem and collapse of Principal Trust. That tends to be involved in a committee, along with the minister of consumer and corporate affairs and the various officials from various departments.

I would be involved in it in the capacity of Justice only in the sense of the legal advice being given to these. But it's sort of been . . . it's a special project, if you like. And I guess in answer to that, it's responsible directly to the minister, not so much to the Department of Finance.

Mr. Calvert: — Mr. Minister, in the interim period from when the Code report was released to when the Alberta government stated their position — and of course we're particularly interested in the position as it affects Saskatchewan residents in that interim — did negotiations take place between your government and the Government of Alberta in that interim? Was there some negotiations taking place during that time by Mr. Higgs or by someone else?

Hon. Mr. Andrew: — I don't know whether you'd call it negotiations. I think the word went out certainly from our officials and from the minister that we felt, given the determination of the Code inquiry and given the stated position that other provinces rely upon the regulators of the home province, in this case being Alberta, that we would expect full compensation as recommended by the Code if you want to read into what the Code inquiry said. Was there negotiations? I'm not sure you'd necessarily describe it as negotiations. At the other end of the phone was Alberta saying, we were taking this matter to our cabinet, and we are going to determine what we are going to determine. So I'm not so sure it was as much negotiations as us trying to find information as to what position they were taking. We could advance to them what we thought would be fair and appropriate. We

advanced to them that when that situation happened in Saskatchewan, we covered people whether they were from Saskatchewan or outside of Saskatchewan, and we covered them for the full amount. And we thought that it was only proper that they do the same thing.

Now that's the position that we advance, but whether it was Alberta coming back and saying, would you take this versus that? — that didn't happen. The Government of Alberta basically said, we're going to make our decision; we are going to review it, and quite frankly, I suppose, we didn't get a great deal more information from the Government of Alberta than did the media who were reporting on it on a daily basis in that interim period.

(1830)

Mr. Calvert: — Mr. Minister, I understand that in that interim period the position of the Government of Saskatchewan was made known to the Government of Alberta during that time. I'm curious to know who was on the phone on this end. Was it Mr. Higgs reporting that position? Was it yourself as Minister of Justice or the Minister of Finance or Minister of Consumer and Commercial Affairs, or was it the Premier himself? Who was speaking for Saskatchewan at that time?

Hon. Mr. Andrew: — Well at that point in time . . . Most of the work, as you would understand the way the government works, would be done by officials. I believe, and I'll stand to be corrected because I'd have to confirm it by the Minister of Finance, but I believe the Minister of Finance talked to Dick Johnston during that period, Dick Johnston being the treasurer of Alberta. And I think the word coming back from Dick Johnston is they haven't decided what they're going to do. And they were going to take and review the Code inquiry, what the Code inquiry said, and respond accordingly.

Mr. Calvert: — Mr. Minister, would it be possible for your officials to confirm that tonight that in fact the Minister of Finance made that . . . had that communication with Dick Johnston?

Hon. Mr. Andrew: — I can't confirm that tonight because the Minister of Finance is not here, but I would certainly confirm that information as soon as he returns. And I would undertake to contact you by letter or by telephone in the next week if that was appropriate.

Mr. Calvert: — Thank you for that undertaking, Mr. Minister, and I'll look forward to receiving it. Mr. Minister, if at some point it is clear that the Alberta government will not make good for the 100 per cent return to Saskatchewan investors, do you have a contingency to deal with that situation? I mean, do you have a financial contingency that your government would make good to the Saskatchewan investors, admitting the negligence of your government in doing that, but making good to the Saskatchewan investors that other 25 per cent, and then if you want to go after the Government of Alberta or the . . . Well do you have that contingency in place?

Hon. Mr. Andrew: — I think what the hon. member is asking me in an indirect way . . . you're like some of those

folks in the media; if you can't get the answer in a direct way, then you're going to try it in an indirect way.

The Hon. Minister of Finance has responded to the same question or similar question asked by you of other members of your caucus: is the province of Saskatchewan going to make up difference? Our position all along has been that we, along with other provinces, relied upon the regulators in the province of Alberta, just as they relied upon our regulators and the ones that we regulate; and that you rely upon those regulators if there is negligence on the part of the Alberta regulators — which the Code inquiry said there was — and everybody should be able to rely upon them. And that's simply the position that we have stated. Our position has not changed on that, and we are pursuing both negotiations and any potential court action accordingly.

Mr. Calvert: — Mr. Minister, I understand that this is really not the place to be debating the entire background to Principal Trust, so I'll leave it at that, and thank you for your answer.

Just one further question: do we as a government, do we as a province, still retain the services of a lawyer in Edmonton, Mr. Brumlick, I believe his name was? Is he still being retained?

Hon. Mr. Andrew: — That question was asked in Justice estimates. I gave to the hon. members the amounts that were paid to that individual, who that individual was. If he's still retained, it would simply be the completion of the file. He is not acting as solicitor for us involving negotiations between us and the Government of Alberta, or he's not involved with bringing action against various people with regard to the Code inquiry.

That individual was there doing a brief, interviewing witnesses, cross-examining at the trial or at the hearings, and for the most part, his job ended with the Code inquiry, but he might still be wrapping up some loose ends. So I wouldn't want to say that he's not there any more, but certainly he would not have further billing hours.

Mr. Calvert: — Mr. Minister, I just want to say a word of thanks, and thanks on behalf of the many investors who are very interested in this, as you will well know. I want to thank you for your answers here tonight. I regret that the Minister of Finance isn't here for the estimates, and yet perhaps we've learned more from you tonight in this short time than we might have from that Minister of Finance in a long time. So I thank you for your answers.

Mr. Kowalsky: — Mr. Minister, I have spent considerable time in this House trying to impress on members on your side of the House the folly of this foolish tax that you folks imposed on the province of Saskatchewan. And so far the response on your side has been very deafening, deafening in its silence, completely ignoring the signals and the signs that we've been hearing.

I'm going to take a little different approach here, and maybe perhaps stir you up a little bit on this. I want to tell you, Mr. Minister, that right now at this time there are business men, business people in Saskatchewan, the

second biggest kiosk operator in Saskatoon, another kiosk operator in a big mall in Saskatoon, that are shutting things down because their gross, their net after they've finished has gone down to only in the vicinity of 12 to \$1,500 a month, and they're trying to operate a family business which used to bring them from 40 to \$60,000 a year. And they're going to be shutting things down because of this foolish tax.

Now what I want to know, Mr. Minister — and there are other people around the province, small businesses which used to use this as a sideline, that are finding that it's no longer profitable — I want to know what is it that you are going to do for these small-business people. What kind of money is there available to compensate these people because of the problem that you've created for them? They did not cause this problem. It is absolutely nothing of their causation, absolutely nothing. It is a problem that was caused by your excessive taxation of the province and this particular tax specifically.

Is there any way that these people can come to you — as they came to you in good faith originally and said, yes, we'd like to do this business — can come to you now and make up for the lost money? How can they do it?

Hon. Mr. Andrew: — Well I will attempt to answer the broad basis of your question. This government made the decision that, given the fact that gambling seemed to be growing, not only here but throughout much of North America and maybe much of the developed world . . . And in Saskatchewan we calculated that well over \$250 million was now being spent on gambling. That was a surprisingly high number, quite frankly. That's a great deal of money being spent on gambling in the province of Saskatchewan.

We determined that if some of that gambling money, or a percentage of that gambling money could be diverted into health care, there would be additional revenues to cover health care and the health care budget this year, I don't know how high it went up. It went up, what? I think almost 11 per cent this year increase in health spending. That is 130, \$140 million, and that's going up very significantly, far higher than the rate of inflation, and we had to seek additional ways by which to seek money for that. So as a result there was brought in a hospital tax that would in effect tax gambling, and that money was earmarked specifically for health care, and that's what we did in this regard.

Now this matter has been brought forward several times in the House in question period, in debate on the Bill, in debate on estimates of the Minister of Parks, Recreation and Culture, and you advanced those arguments. Now I think the response by the Minister of Finance has been, by the Minister of Parks has been, the Minister of consumer and corporate affairs has been, that we still believe it's too early to determine whether or not that trend is a lasting trend or simply a trend that comes in with the introduction of any new tax. When I say new tax, new concept almost, in taxing. Will that percentage drop? And we have acknowledged that there was a drop. Will that drop continue, or will we return back to the same level of gambling and therefore the revenue ultimately will then stabilize and the tax will be realized?

Now we've indicated to you that it is our view that that will in fact happen. If that doesn't happen, then obviously we, as any government, would have to review that particular position, as you would do with any tax. So at this point in time, we believe it's still too early to tell if that is a long-term trend or whether it's simply a short-term trend.

Mr. Kowalsky: — The trend is there right now, Mr. Minister, and the trend is getting worse. From what you've just told me right now is that you have no heart for the small-business people that are losing their livelihoods and losing their incomes. That's what you've told me by your circuitous answer. That's what you've told me. You've lost the small-business people in this province, and I can see why because this is an excellent example. You've lost them. You have lost them.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Minister, you say that you made some choices about all the money that was available in gambling. How did this choice come about? Did you consider other options? Have you considered taxing the winnings? You know, have you considered that when somebody may win close to a million dollars or over a million dollars or \$500,000, that that person might be quite satisfied taking home \$400,000 out of the five? Have you considered that? And if you haven't, why haven't you? I ask you also, did you get any other indications from the Saskatchewan Council of Cultural Organization and about how this tax should be set up? Did you, and if you did, why didn't you follow their advice?

Hon. Mr. Andrew: — Well, the hon. member says that we have lost all small businesses. Does he mean by that that they have all left and closed down . . . (inaudible interjection) . . . Oh, I see. He's saying that they have lost their support to us. Well I can tell you, and I don't know every small business in this province, but I know the ones in Kindersley, and I talk to them on a regular basis, some of them. And if you folks believe that all small business in Kindersley are voting NDP, you believe in the tooth fairy.

An Hon. Member: — Half.

Hon. Mr. Andrew: — Half of them, he says. With regard to the hon. member's other question with regards to why don't you tax the winnings, we reviewed that. You cannot tax the winnings because that falls under the federal jurisdiction, and we couldn't do it. Otherwise, that would be something that one could look at. You could not do it because it would have to be the feds that did it or we would have to leave the federal-provincial taxing arrangements agreement.

Mr. Kowalsky: — Now when you were looking at ways of taxing this money, I don't think it was so much that you were concerned that the people were spending the money, I think what was happening is you came to SCCO (Saskatchewan Council of Cultural Organizations) and you came to Sask Sport and said, hey, we need 25 million bucks. We're desperate, we need 25 million bucks because we've messed up till now and we've got to get some more money.

Mr. Chairman, I want to indicate to you what this government has given up and what they could have done. In the proposal that SCCO gave you in '87, 1987, they gave you a very firm suggestion, a very positive suggestion. They were very co-operative about it and they gave you a suggestion of how this could have been done without messing up the entire scheme. It would have meant that they had a little less revenue, but at least it wouldn't have put them into jeopardy, and it's something they could have lived with.

They were suggesting to you at that time a 5 per cent tax — they called it an E&H tax, but you could call it anything — 5 per cent of their total, 5 per cent of their total. And they made that proposal.

And that is not a tax that you would have put on top. That is something they were willing to live with. They were willing to take a little portion and say, okay, sports is getting . . . we're getting the sports area where we want it and we're willing to push it on. We're willing to push a little of this money on to something else if you really need it. We're grateful to you for the way the sports and cultural organizations have been set up.

So they were willing to do it. And that was going to bring you considerable amounts of money; by their own calculations nearly 9 million bucks a year — \$9 million a year they were willing to give you.

(1845)

But no. Were you satisfied with that? Not at all. Not at all. Now we have a situation where, because of your excessive greed, the goose that laid the golden egg has been killed, or is in the process of being killed. The goose is getting cooked.

What has happened to operations like Legs Unlimited? What has happened to operations that sell Nevada tickets like the Legion in Saskatoon, or community clubs across the province, several hundred of them, the Army and Navy Vets? What has happened to them? Because of the way you tax Nevada sales, their profits have gone in half. So now those people who were disabled and had a source of funding for their motor scooters, in the case of Legs Unlimited, are finding that the profit to be used towards those motor scooters is cut in half.

That is the problem, Mr. Minister. That is exactly the problem. The legionnaires are not going to forgive you. They won't. Legs Unlimited is going to be strapped. They are funded . . . they were sponsored by Kinsmen organizations, by the Kinsmen Foundation of Saskatchewan. They're not going to look at this very kindly.

Do you remember the story of *The Goose That Laid The Golden Egg*? Do you remember that little story? Do you remember that little story? I think there are people of Saskatchewan that might think it quite appropriate to see the parallel between the story of *The Goose That Laid The Golden Egg* and what happened to that goose — I think it would be quite appropriate — and what's happening to the lottery scheme and what's happening to it under the threat of this government.

It's a little fable that's existed for centuries, and it's about two paragraphs long. And I'm going to take a moment to read it because I think the dramatics of it is significant. And I think I first read this when I was in grade 4 and I enjoyed it then. It says here in this little story, *The Goose That Laid The Golden Egg*, a man and his wife had the good fortune to possess a goose which laid a golden egg every day. Does that sound familiar? Lucky though they were, they soon began to think they were not getting rich fast enough. Now who would that be referring to, I wonder? Who would not be getting rich fast enough? And imagining the bird must be made of gold inside they decided to kill it in order to secure the whole store of precious metal at once. Sell off SaskEnergy, sell off the potash. But when they cut it open they found it was just like any other goose. Thus they neither got rich all at once, as they had hoped, nor enjoyed any longer the daily addition to their wealth.

Well it's a story read by many school children across the country, across the province, across the English-speaking world and many other worlds, and there's a lesson there I guess you guys just never learned. Mr. Minister, I brought it down to a grade 4 level. I rest my case.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — The hon. member . . . perhaps this is a fitting remark by the hon. member at the closing hours of this session as he reads a bedtime story to the members of the legislature. I think the hon. member Saskatchewan some members actually fell asleep during the reading of that.

The hon. member raises and repeats the question with regards to the lottery question. And initially he asked, did we do any consultation? The Minister of Finance indicates that he did some consultation. The bingo people said, if you're going to impose a tax — and they didn't terribly suggest that they wanted a tax — but if you're going to impose a tax, impose it this way. The raffle people, I suppose it would be fair to say, were all over the board on it, but there was a sense that if you're going to impose a tax, impose it this way. The Nevada people indicated that if you're to impose a tax to impose it that way.

So clearly it's a new tax, let me say that. It's a new tax, it's a tax on government . . . or it's a tax on gambling and the money goes to help the various and necessary and important new expenditures in the field of health, almost \$140 billion, almost 11 per cent increase at a time when inflation is running below 5 per cent, health care spendings are going up 11 per cent — that's significant.

And we must find ways, if we are going to be honest with ourselves and honest with the citizens of this province, find ways by which to find additional dollars to fund health care. That's the reality that we face if we were to restrict the growth in health care spending to below the rate of inflation which is reflected in sales tax or property taxes or income taxes or revenues from natural resources. They go up roughly according to the rate of inflation as well, give or take a bit. But if your expenses are going up in health by 11 per cent, we have to find new ways to raise money for it.

Gambling is now growing in this province to a quarter of a billion dollar industry, and that's significant. That's significant from two points of view, quite frankly, Mr. Chairman. That a population of a million people would be spending almost a quarter of a billion dollars on gambling, is a sizeable change in the way people approach, I suppose, leisure, etc. That has grown significantly over the last 10 years, and I would guess that if it continues to grow, then clearly health care should use and will use that, both here and in other jurisdictions, as a way.

Now the hon. members, I don't think they disagree, or they haven't said in so many ways that they disagree with the concept. They disagree perhaps with some of the technical procedures by which we are doing that. I indicated that we believe it's still too early to tell in the event that the trend continues, and certainly we will have a re-look at it.

Mr. Shillington: — Thank you, Mr. Chairman. Mr. Minister, one of the issues in this session, the overarching issue, has been the privatization of the potash corporation. Mr. Minister, you're in more trouble with respect in public opinion polls now than you were when this session started. Public opinion polls were against you when you started, and they're more so now.

Mr. Minister, there are a number of reasons for that. One of the reasons for that bears directly on the estimates of the Minister of Finance. That has to do with the disposition of the proceed. Mr. Minister, the Minister of Finance earned the scorn of friend and foe alike when he stated, as he did a couple of weeks ago or somewhere thereabouts, that not all the money would be used to retire the debt, and the public would be invited to discuss the use of the proceeds.

Mr. Minister, that's a political slush fund. It is a blatant appeal to human greed, and nothing more or nothing less. Mr. Minister, it has been our hope that if the corporation must be sold, and we regret that — and my colleague from Prince Albert has related I think in very understandable terms why that should not be done; it is indeed a goose that lays a golden egg — Mr. Minister, if indeed it must be sold, we would at least hope that the proceeds would not be squandered on a number of election goodies, which is what the Minister of Finance in fact proposed.

The Minister of Finance earned some very strong criticism from people who would ordinarily be his supporters — Citizens for Fair Taxation. Mr. Minister, I would ask you to give us the plans of the Department of Finance for the use of the proceeds. What is it you intend to do with the proceeds? Mr. Minister, if you can give us your assurance that the proceeds will go to pay off the mountainous debt which has accumulated during the years this government's been in office, it will go some way towards solving the distress we feel at the loss of this very valuable Crown corporation.

Hon. Mr. Andrew: — Well let me say first of all to the member opposite, PCS legislation was passed in this House, and PCS is going to be sold. Now you might as

well get used to that because it's going to happen. That's number one.

Number two, he asks about the proceeds from the sale of PCS. Let me answer the question the following way, talking about the Department of Finance estimates and the Consolidated Fund. Any or all of that money that goes to the Consolidated Fund will (a) not be used as a slush fund. And I say that very, very succinctly. There will not be money from that used for a slush fund. Period. End of sentence.

Number two, the hon. member knows, having been in the cabinet of a previous government, that the expenditures of any government are determined in the following way: usually the part of July, or at latest, first part of September, there is a call for estimates sent out to all departments; those call for estimates are then submitted in. You go through treasury board on the expenditure proposals of each department. You then add that all up, and then submit it to cabinet. Cabinet sits down and says, yes, we should spend this here, but maybe we can't afford to spend that there, and ultimately, a budget comes out of it.

Now the hon. member would, if he's asking me what the budget next year is going to be, I think he knows better than to ask that. If the hon. member is suggesting somehow that the proceeds of PCS would go to a slush fund, that is absolutely not the intention. That absolutely will not happen. This government does not look at putting together slush funds for election campaigns.

Mr. Shillington: — Mr. Minister, in 106 days I've heard some astounding statements, but the comment that this government will have nothing to do with election slush funds surely must rank as the most foolish and outlandish statement that any minister has made.

Mr. Minister, I don't recall you travelling around the province saying to the public we need to privatize SaskEnergy because what this province needs is one good slush fund. I don't recall you having said that. I do recall, Mr. Minister, on any number of occasions, in a number of places, ministers of the Crown saying we need to reduce the crushing debt. These Crown corporations have caused us to have an enormous debt. He increases power rates and gas rates beyond what is tolerable. What we need . . . and it's all because of the debt that if only we'd sell off this and pay off the debt, your gas rates and your power rates would plummet.

Mr. Minister, whether or not they're going to plummet remains another question. It's apparent the Minister of Finance has no intention of using this to pay down debt. He instead is going to use it for an election slush fund. That's why, Mr. Minister, he has people who would ordinarily support him in the sale of Crown assets, that's why he has those people outraged as he does.

I wonder, Mr. Minister, if you'd save us a trite discussion

on the budgetary process — I understand that, so do many others, and I suspect very few of the public who are watching care about it. What they do care about is what's going . . . what I am asked from one end of this province to the other is: what happened to the money?

Mr. Minister, they're now asking: what's going to become of the money; where's it going to go? Your minister has invited the public to line up, open their pockets and line up and he's going to shovel it in. that's the process which he's begun.

I ask you, Mr. Minister, what plans has the Department of Finance formulated with respect to reduction of debt? What plans do you have to keep your commitment to use that money to pay down the debt? What plans does your department, which should have overall responsibility for this matter, what plans does your department have?

Hon. Mr. Andrew: — With regards to the debate on potash — and the Minister of finance led that debate on this side of the House — and I think what the member, the Minister of Finance indicated and said was as follows: that the main thrust, the main purpose, the main principle, the main reason for allowing the potash corporation to sell shares of the people to this province and other people, the reason for that was to allow PCS to be set free, allow it to expand, allow it to grow, allow it to diversify; and in so doing to allow it to hire more people in Saskatchewan, create more jobs in Saskatchewan, create more economic activity in Saskatchewan, allow that economic activity to generate further economic activity.

(1900)

And around it goes, Mr. Speaker, to pay more taxes to the people of Saskatchewan, to pay for the important services that this budget allocates to health care, allocates to education, to social services, to the justice system, to build more highways in this province, to protect the environment, Mr. Speaker, to look after our farmers — that type of thing. And that's the commitment that we have and will continue to do.

If the hon. member is suggesting — and I tried to read between the lines of what he was saying in the interests of time — talks about a slush fund. No, there's no interest in us of having a slush fund. If the hon. member goes back to the 1982 election and says, well, you people promised that you would help people with their mortgages; their mortgage were at 22 and 23 per cent, and we were all facing difficulties — those of us that had to pay a 23, 24 per cent interest rate on our mortgages.

So we said, no, I think government should have a . . . and play a part in those high interest rates. So what we should do is bring those interest rates down to thirteen and a quarter per cent.

The hon. members, when they were in government, said that is an absolutely irresponsible procedure; that's an absolutely irresponsible public policy statement. The Hon. Leader of the Opposition said that. They decided that in the interests of everything that they would say, no, we should just let the interest rates ride; no policy, no

policy, leave 'er at 22, 23 per cent.

Now the members opposite have always saw that as a slush fund. The members of this side have never seen that as a slush fund. We thought that was in the interests of the people of Saskatchewan. It enabled them to maintain their home that they had. It allowed younger people to go out and buy a new home.

Now if you call that a political slush fund, I guess your definition of what people want to see and should be entitled to is different than mine, because I believe that was proper public policy; you don't agree it to be proper public policy. We debated that in the '82 election. We debated that in the '86 election. I still believe it's proper public policy to assist people in the mortgage costs on their homes. We still have that policy in place.

It was a slush fund. The way you folks, when you were in government practised slush funds, you did it for one year and then you dropped it. We did it in 1982 and it's been in place ever since, Mr. Speaker. I believe it's proper economic policy. I believe it's probably proper policy, and it will continue under this government.

Mr. Shillington: — Mr. Minister, I want to raise with you the question of budgetary control. I hope I don't have to begin by telling you what it is. You people just simply don't seem to understand what budgetary control is. Mr. Minister, let me give you some figures. These are taken out of . . . I know that every time you attempt to actually ask ministers to deal in facts, they tell you they've made them up. So, Mr. Minister, I will take these figures from the actual estimates so that the minister knows they were accurate.

Mr. Minister, your expenditures have increased . . . during the years you've been in office, your expenditures have increased by 80 per cent. Mr. Minister, the '81-82 expenditures for the Government of Saskatchewan, the total expenditures were \$2,407,838,000. Today, Mr. Speaker, it's not 2.4 but it's \$4,309,460,000. That, Mr. Speaker, is an increase of 79 per cent.

Mr. Minister, I called Statistics Canada, got the increase in the consumer price index for Canada. In April of '82, it was 108. In July of '89 — and I'm being generous; I'm giving you another four months — in July of '89, it was 152. The rate of inflation has been 40 per cent. Your expenditures have increased by 80 per cent — twice the rate of inflation.

Mr. Minister, I don't think the public would complain enormously, I don't think the public would complain as vociferously as they are complaining, if it weren't for the fact that public services have deteriorated as drastically as they have. Highways, Mr. Minister, are a shambles. Education — I am frankly embarrassed the young people have to put up with the education system they do. Mr. Minister, the health system has been a daily embarrassment to you as my colleagues have related to you, people who cannot get simple health care for life-threatening diseases.

Mr. Minister, one has to ask how the government expenditures could have increased by 80 per cent, twice

the rate of inflation. Mr. Minister, the answer lies in the documents you gave me earlier — it's patronage, waste, and mismanagement. Mr. Minister, the reason why your expenditures are out of control at a time when services have deteriorated is that you have wallowed in patronage. You have spent money while ... (inaudible interjection) ... the member from Souris-Cannington says, whoa, Ned. Whoa, Ned, nothing. When the Minister of Finance spends \$100,000 on travel, it's little wonder that this government's finances are in the condition they are. This is \$100,000. My friend from Saskatoon University so eloquently outlined to you better uses for \$100,000, such as feeding hungry children in the city of Regina.

But, Mr. Minister, while the Minister of Finance has finally after two hours garnered an argument which he thinks will meet it, Mr. Minister, I may say it took the Minister of Justice long enough to do so.

Mr. Minister, one of the reasons, I think the primary reason why you people are so far behind in the polls is that the public of Saskatchewan have come to understand that you don't exercise budgetary control; you are wasting their money; you've been in office too long; you don't care about the public; you don't care about the hungry children in the city of Regina that the member from Saskatoon University spoke of. What you care about is yourself, your friends.

Mr. Minister, I ask you to explain to this Assembly how services could have deteriorated as drastically as they have when expenditures have increased at twice the rate of inflation. Mr. Minister, every time the question's put to you, I hear echoes of the member from Melville talking about rain, he needs more rain; all of your problems stem from the lack of rain.

Mr. Minister, you expenditures have increased at twice the rate of inflation. So I say, Mr. Minister, that your budgetary problems have little to do with the financial hardship and a great deal to do with mismanagement. How is it, Mr. Minister, that your expenditures have increased at twice the rate of inflation when public services in this province are a subject of constant complaint and embarrassment to yourselves?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well the hon. member first of all says: what has rain got to do with the budget of the province of Saskatchewan? I assume that the hon. member was saying that facetiously because for anybody on the farm that lives in the farming community knows that rain is a very important part of whether they do well on the farm or don't do well on the farm. And I don't think it does you any value to sit out there and criticize the farmer. In effect, what you're saying to the farmers of Saskatchewan, it doesn't matter how much rain you get or don't get, you're still going to make the same amount of money.

Well that doesn't work that way in Saskatchewan. Last year there was a drought in this province, and I don't know whether the hon. member was aware that there was a drought, but there was a drought, and a lot of farmers

suffered the reality, Mr. Chairman, of not even having a crop. And when they don't have a crop, Mr. Chairman, obviously they're not going to pay very much tax because they don't have any grain to haul to the elevator to make money. At the same time, Mr. Speaker, there is a growing demand out there for more money towards agriculture. And then the hon. member says, where has the additional expenditure of government gone?

Well the biggest ...

An Hon. Member: — Where's the money.

Hon. Mr. Andrew: — If the hon. member will wait, I'll tell him where that money is going. The largest recipient of additional spending by government has been the Department of health. When we took office the Health budget was what? — \$700,000? And it's now 1.4 billion. That's 100 per cent increase — 100 per cent increase.

Some of the things that we thought that were important that the previous government did not think to be important was, number one, they said this province doesn't need any more nursing home beds. Well I don't think that's true. And for anybody that has lived particularly in rural Saskatchewan, or even urban Saskatchewan, know that there is a tremendous demand out there for nursing home beds. The hon. member's government put a freeze on that. We believe it's not important to put a freeze on that; we believe it's important to build those nursing home beds, and we've in fact done that, Mr. Speaker, and done it in spades. The largest increase in the budget and expenditures of budget of this government over the last seven years has been health.

The next large area of expenditure has been in the area of agriculture. Now why have we had increased spending in agriculture? The problem has been twofold. For the members opposite, I know many of the members opposite are not very familiar with rural Saskatchewan and the farms, so let me take a little time and explain it.

Two problems have been associated in agriculture, and perhaps three, the first one being that over the last three or four years the rain patterns in the province of Saskatchewan have been substantially less than the norm, resulting in poorer yields and poorer production of grain the province of Saskatchewan, and therefore decreased revenues at the farm. And of course that revenues at the farm being that agriculture is the central engine of the economy of this province, we're trying to move away from that. But right now it is the central, and always has been, engine of the economy, has suffered and has suffered dramatically.

So number one, there wasn't the rain pattern that there traditionally was. Number two is that the hon. member should know that there was a significant decrease in the price of that commodity. The commodity, in fact, the value of it went down, Mr. Speaker, Mr. Chairman, the value went down and therefore you faced a problem.

Let me give the hon. member some statistics he can write down, and then we can get into some interesting arguments, Mr. Speaker. In exports from 1982 to the present, the total volume of Saskatchewan exports are up

some 20 per cent. The problem, Mr. Speaker, is that the weighted average price of Saskatchewan export commodities is 17 per cent — the weighted average price of Saskatchewan export commodities is 17 per cent below the 1982 level. Saskatchewan terms of trade has declined some 34 per cent.

So what happens is while the volume of trade has gone up, the actual revenue has gone down. And the reason it's gone down is because the value of wheat has gone down; the value of potash has gone down; the value of oil went down, and it's now coming back a bit. So that what you see, the hon. member, is that particular problem.

The biggest expenditure increase, health; big expenditures increase in education; big expenditure increases in agriculture. And it's that priority that this government has put on, particularly those things, and the trying to encourage the economic diversification of the province, and therefore you're spending more money on what you call the business departments or economic development.

And has that been successful? Clearly, Mr. Speaker, it has been. On the sectoral competition of investment has changed. The primary sector investment has declined 25 per cent since 1982. That's agriculture primarily. Non-primary sector investment is up 32 per cent; manufacturing investment is up 530 per cent since 1982.

So those are the areas that we have allocated money — health, education, to diversify the economy, and agriculture. That's been our priority since '82, continues to be our priority today, and we will continue to direct more and more of the dollars of government into those four important areas.

(1915)

Mr. Shillington: — Thank you, Mr. Minister. I want to end my contribution to these estimates as I began them, and that is complaining about the absence of the Minister of Finance. It is completely inappropriate to be dealing with Finance estimates with someone who is not the minister. And I say to the member opposite that this will not reoccur again another year; we will not put up with this again another year.

Mr. Minister, it's perhaps appropriate that the Minister of Finance is absent. His stewardship of this province's finances might have improved if he had been continuously in Ottawa. I can't imagine the public servants having done any worse on their own than they did with his stewardship.

I'm informed, Mr. Minister — and this is very appropriate — I'm informed that not only is he at a Progressive Conservative convention, he's the keynote speaker this evening. I am informed that he's speaking this evening and the theme of his speech is "Taxing Your Imagination." That's appropriate enough, Mr. Minister, because our imagination is the only thing that the minister hasn't taxed.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Minister, you spoke of falling revenues. That's erroneous; your revenues have also risen faster than the rate of inflation.

I'm tempted to believe the Minister of Finance is going to come back and impose a tax on our imagination. I assume that's what that theme means, Mr. Minister.

Mr. Minister, I say to you that the absence of the Minister of Finance from this Assembly tonight when we are dealing with his estimates is symptomatic of the problems we have had with this government. This government has simply not paid attention to the management of its affairs. It's been an absentee manager, and the finances of this province show it.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Let me simply respond in the following way. Let me respond in the following way. I suppose we can each stand up and throw stones at each other and cast aspersions at each other. I guess, in politics, ultimately history will judge as to the record and the contribution of any member of this Assembly, whether it's on that side or this side, the treasury benches or other benches.

And my guess is that as history reflects upon this era in Saskatchewan politics that the record and the contributions and the involvement by the member from Qu'Appelle, the Minister of Finance, will likely stack up at least as good as the member from Regina Centre. And we will, I guess, wait for 20 years and see what history says about those two members.

And until now, I suppose it's just political jostling to try to choose who is the most informed and best politician of the two.

Item 1 agreed to.

Items 2 to 13 inclusive agreed to.

Item 7

Mr. Shillington: — I'm going to need leave to do this. I wanted to, and I didn't get the book opened up fast enough, Mr. Minister, so I'm going to need leave to do this. I wanted an explanation for item no. 7 — \$10 million described as unseen and unprovided for. If it is unseen, I wondered why we provide for it?

Mr. Chairman: — Order. The member has asked for leave, is leave granted?

Leave granted.

Hon. Mr. Andrew: — The hon. member suggests that he was not quick enough to catch this as we were going through. I'm advised, first of all, that not only was he not quick enough to catch it when it was going through, but he also read it wrong. The item is not 10 million, it's 10,000, and that's three digits different — 10,000. And that 10,000 estimate has been included in budgets for the last 25 years in this province as well. And I thought the hon. member would have known that, Mr. Speaker. The

expenditure is simply there as ... you don't know every expenditure that's going to come up, and it's a statutory-type thing that's put in there. If the price of fire suppression has to go up or some unexpected item came up, then you would legitimately have it covered in the budget.

Item 7 agreed to.

Items 14 to 16 inclusive agreed to.

Item 17

Mr. Shillington: — Mr. Minister, this is payments under the provincial disaster assistance program. You've budgeted 50 million. Do you still feel that's an accurate figure, Mr. Minister, in light of the weather which we've experienced this summer? Fifty thousand, sorry.

Hon. Mr. Andrew: — That is 50,000 not 50 million. Traditionally what happened, it was put in at \$1,000 — again, nobody knowing exactly what it was going to be. It's simply brought up to a higher number this year.

Mr. Shillington: — Do you have some estimate of what we're likely to spend on disaster assistance this year?

Hon. Mr. Andrew: — When you go through the process of putting the budget together, it's pretty hard to predict whether there's going to be a weather problem and tornadoes, that type of thing. It was always put in at \$1,000. We put in at \$50,000; that means a lot more respectable than the 1,000.

What do we think it's going to come to this year? The claims that have been received to date have been significantly higher than the 50,000, and it might be closer to 500,000, given the nature of the two big, major storms, one being up in the Cut Knife-Lloydminster area and the other one being east of Regina, and a number of other ones that have come. And this year there seems to be a lot more doing a lot of property damage than has been in the past.

Item 17 agreed to.

Item 18 — Statutory.

Items 19 and 20 agreed to.

Item 21

Mr. Shillington: — Item number 21, how does it come to be a 50 per cent increase in the assessment for the Workers' Compensation Board?

Hon. Mr. Andrew: — Increase in the assessment to government, and that is set by the Workers' Compensation Board. They simply give us the number over what we have to do, and that's what we have to pay for all of government.

Items 21 and 22 agreed to.

Item 23 — Statutory

Mr. Shillington: — Mr. Minister, with respect to item number 23, this raises an issue which we have not had an opportunity to discuss, and that is the improvement in the superannuation of retired public servants. Mr. Minister, I'd ask you to give us your intentions with respect to improving the usual inflationary increase which we give to retired public servants. Mr. Minister, I wonder if you'd tell us what the government intends to do for superannuates.

Hon. Mr. Andrew: — I believe that now is handled by an OC (order in council) in cabinet, and I understand the Minister of Finance is to come forward with an OC to cabinet probably in September. I guess that's still a decision to be taken by cabinet. Until cabinet takes that decision, I can't really advise you what that decision's going to be.

Item 23 — Statutory.

Items 24 to 29 inclusive agreed to.

Items 30 to 33 inclusive — Statutory.

Item 34 agreed to.

Vote 18 agreed to.

Consolidated Fund Budgetary Expenditure Finance — Servicing the Public Debt — Government Share Ordinary Expenditure — Vote 12

Items 1 and 2 — Statutory.

Consolidated Fund Debt Redemption, Sinking Fund and Interest Payments Finance — Vote 175

Item 1 — Statutory.

Vote 176

Item 1 — Statutory.

Vote 177

Item 1 — Statutory.

Saskatchewan Heritage Fund Budgetary Expenditure Finance Ordinary Expenditure — Vote 12

Item 1 agreed to.

Vote 12 agreed to.

Supplementary Estimates 1989 Saskatchewan Heritage Fund Loans, Advances and Investments Resources Division Finance Vote 64

Item 1 agreed to.

Vote 64 agreed to.

(1930)

**Consolidated Fund Loans, Advances and Investments
Municipal Financing Corporation of Saskatchewan
Vote 151**

Item 1 — Statutory.

Mr. Shillington: — Thank you very much. I see some of the officials getting up to leave. I think it's only fair that we thank these officials for having served us at a very awkward time on a Friday night and dealing, I say, without the minister, who might have better understood the comments which they would have given to them. So I think all of us appreciate your attendance here this evening.

Mr. Chairman: — I would also like to thank the officials.

**Consolidated Fund Budgetary Expenditure
Provincial Auditor
Ordinary Expenditure— Vote 28**

Mr. Chairman: — I'd ask the minister to introduce his officials.

Hon. Mr. McLeod: — Thank you, Mr. Chairman. I have the deputy minister of Finance with me, Mr. Art Wakabayashi.

Item 1

Mr. Rolfes: — Mr. Chairman, I have a couple of questions. First of all, I'm rather surprised that the Minister of Justice, who just did the estimates for Finance, isn't doing the Provincial Auditor's estimates tonight. He is the individual that I want to speak to, and he is the individual that I want to speak to, and he is the individual that I think . . . where is the Minister of Justice when we need him?

And secondly, the Provincial Auditor, I thought his name was Willard Lutz. Why isn't he beside you, Mr. Minister? Why isn't the Provincial Auditor with you this evening for his estimate?

Hon. Mr. McLeod: — Well I'm not sure that the Provincial Auditor is always here when his estimates are done, but I know that the Provincial Auditor is not here. The estimates are here to deal with. The deputy minister of Finance is in a good position to answer any of the questions or to assist me in answering any questions that deal with the Provincial Auditor's budget. And, you know, the fact remains that the Provincial Auditor is not with us tonight.

Mr. Rolfes: — Mr. Minister, that answer simply is not satisfactory. Mr. Minister, the watchdog for the expenditures of this province is the Provincial Auditor. The Provincial Auditor has had a number of concerns as to why he cannot be an effective watchdog over the provincial expenditures. And, Mr. Minister, I think you would do very well to take off some time and find out where the Provincial Auditor is, so that he can inform you and direct you tonight as to why he can't carry out his responsibilities as Provincial Auditor and the watchdog of

the expenditures of this province.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Why haven't you got him here?

Hon. Mr. McLeod: — Well, first of all, as it relates to any concerns that may have been expressed by the Provincial Auditor, and are being expressed, some concerns, most of which have been dealt with, the Provincial Auditor has been attending to and at the Public Accounts Committee, as the hon. member well knows. The Public Accounts Committee is where those issues are dealt with and have been dealt with and are continuing to be dealt with, as I understand it.

So as it relates to this budget and the amount of money provided to the Provincial Auditor's budget, we can deal with how much money is in the budget, which is what the exercise is here tonight. As far as the public accounts and as far as the Provincial Auditor raising his concerns, which he has raised, I know that the Public Accounts Committee, I'm informed that the Public Accounts Committee is working through that, and it is being worked out in Public Accounts. I believe the hon. member may even be a member there.

Mr. Rolfes: — Yes, Mr. Minister, I will say a few words about that a little bit later. You are totally mistaken if you think that the Public Accounts is dealing with the issue, because the members on your side simply won't allow us to deal with the issues. They simply won't allow us to deal with the issues.

Mr. Minister, the Provincial Auditor's accusations against the incompetence and waste and mismanagement of this government are contained in the first 22 pages of this report. Your members on the Public Accounts Committee simply wouldn't allow us to deal with the first 22 pages. They wouldn't allow us to deal with it. And I will show you a little bit later a motion made by my colleague, the member from Regina Rosemont, which was voted against by your members on your side of the House, where we asked that we deal with those accusations made by the Provincial Auditor, of incompetence, of mismanagement, of interference, and illegalities on the part of your government — on the part of your government.

That is why, Mr. Minister, you are here tonight and to the Minister of Justice, because the Minister of Justice did a real inservice to a public service earlier in this session, when he libelled the Provincial Auditor and took his legislative immunity as protection and wouldn't go out, outside of these Chambers, and make those accusations against a public servant.

Mr. Minister, I want to know again, why is the Provincial Auditor not here tonight? It is not satisfactory for you to say that, well, I've agreed or I have decided that I'll have somebody else and not the Provincial Auditor here to inform you on what is wrong with the Provincial Auditor's department.

Mr. Minister, one of the reasons that the Provincial Auditor can't do his job is because you simply refuse to

fund him adequately. That is what he has said time and time again, and you have simply not followed up on those suggestions. I say to you, Mr. Minister, it is time that the funding and staffing of the Provincial Auditor's department is taken out of the hands of the executive, who, by the way, he does not serve. He serves the Legislative Assembly of Saskatchewan and not the treasury benches on that side.

And, Mr. Minister, he can't do his job. He can't do his job if, for example, as he indicates in his report, when the Crown Management Board passes a minute which says to the management of the board, do not turn over the information to the Provincial Auditor. And who is on that management board, Mr. Minister? Who is on that board? Well, I think you're well familiar with it, and so is the Minister of Urban Affairs, who is waving his hands up and down over there.

Mr. Minister, the board is comprised of the Hon. Grant Devine, the Hon. Eric Berntson, the Hon. Bob Andrew — who didn't have the courage to be here this evening — the Hon. Gary Lane, and the Hon. Graham Taylor. I'm reading from a report, Mr. Chairman, the Crown Management Board. Those are the individuals who are the cabinet ministers on that board, and they, Mr. Minister, passed a minute which said to the management: do not pass on the information that is requested by the Provincial Auditor in order that he could do his job.

Mr. Minister, that is a direct interference, a direct interference with the Provincial Auditor. And I ask you again, Mr. Minister, in order that the Provincial Auditor can advise you on some of the questions that we want to direct to you, the Provincial Auditor should be here. And, Mr. Minister, I therefore will move a motion by myself, seconded by the member from Saskatoon University:

That this committee require the government to bring into the chambers the Provincial Auditor to be present through the considerations of the estimate of the Provincial Auditor.

That is moved by myself, seconded by my seat mate.

Some Hon. Members: Hear, hear!

Mr. Chairman: — Order. I find the motion presented before the committee is out of order as that is a substantive motion, and under the rules committee of the whole House that the practice of permitting substantive motions in the Committee of the Whole and Committee of Finance has been discontinued since December 10, 1980.

(1945)

Hon. Mr. McLeod: — Mr. Chairman, the member persists in his questions as it relates to the Provincial Auditor, why is the Provincial Auditor not here? I have said to the hon. member the Provincial Auditor's budget, as provided for in the budget, in the estimates which we are dealing with in this budget, the amount of money that the Provincial Auditor requested to carry out his duties, because if I go back to the earlier question of the hon. member was that: why have you not provided — in fact I think it was even

further than that — you said: we have not provided, this government has not provided to the Provincial Auditor that amount that he wanted to have, or that he needed to have in order to carry out his duties properly, or something to that effect.

Well, Mr. Chairman, it's simply not the case. The amount of money, the allocation to the Provincial Auditor is what the Provincial Auditor requested in order to carry out the duties as he saw them. And that is the case.

Now, Mr. Chairman, it is also the case that on many occasions the Provincial Auditor, this particular Provincial Auditor, but the Provincial Auditor has said on behalf of his office that he didn't think it was appropriate for him to be here in any case — he didn't think it was appropriate for him to be here before the House in this way to deal with his budget.

Now I will add to that, I'll hasten to add to that, that the reason behind that is that he wants to and believes that the Provincial Auditor's budget should be dealt with in another manner and another forum similar to the way in which, I believe, it's the subvotes under Legislation are dealt with. And that's what he would like to see happen.

Now that is not the case, as it is, but I also know that he does not believe that the present forum that we are now in and the way in which these subvotes are dealt with is the appropriate one for the Provincial Auditor to deal with. Now that's one point.

The second point, Mr. Chairman, is that the hon. Member refutes what I have said as it relates to the Public Accounts committee dealing with these issues. And you go to the points of the first 22 pages, or whatever, of the Provincial Auditor's report as not having been dealt with. I think it's important to note that the Public Accounts Committee has not completed its work, as far as I know. The Public Accounts Committee hasn't completed its work. The Public Accounts Committee will carry on.

The Public Accounts Committee, I know, that in those areas of the Provincial Auditor's report where the Provincial Auditor has said those first 22 pages has said that there are problems, and which he identifies, those are also the same areas that our members on Public Accounts committee have agreed to refer to as to go back over those 22 pages and to refer to each of those. And I think you'll find in each one of those areas those problems have been resolved to the Provincial Auditor's satisfaction, and he has said so in the Public Accounts Committee.

Mr. Rolfes: — Mr. Minister, it's simply not satisfactory for you to say that the Provincial Auditor says that he does not want to be here. I don't believe that; not for one minute do I believe that the Provincial Auditor does not want to be here. The Provincial Auditor would gladly be beside you advising you as to how to correct the inadequacies of his department because of underfunding, because of underfunding by you people.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — He simply does not have, he simply does not have the staff nor the resources nor the money to carry

out his functions as prescribed by legislation, Mr. Minister. And you know that; you know that for a fact. And that's why the auditor should be here.

I mean, if we had the time this evening, Mr. Minister, I could . . . the auditor slams secrecy. It's in the *Leader-Post*, and the Provincial Auditor very carefully points out of how SaskPower, now SaskEnergy, refused to release details on the sale of the property to Saskoil. The Potash Corporation of Saskatchewan refused to provide minutes from a board meeting last November. The Crown Investments corporation of Saskatchewan private auditor's report failed to take into account generally accepted accounting principles, there again was the minute authorized by the Executive Council not to pass information on to the Provincial Auditor. SaskTel refused to make information available. Saskatchewan Property Management Corporation refused to co-operate. WESTBRIDGE again refused to provide the information that the Provincial Auditor requested.

Mr. Minister, what you have done is made a sham of the Provincial Auditor's department and his responsibility, not only by underfunding but by also . . . also by interfering with his function as a Provincial Auditor and as a watchdog for this province.

And what do you do, Mr. Minister, when he brings in the report that is a damning indictment of the incompetence and the mismanagement and the patronage of your government? What do you do? You send the Minister of Justice after him to make libellous statements in this legislature where the Provincial Auditor can't defend himself. And he didn't have the courage to go outside the House and say that about the Provincial Auditor because he knew those accusations were false.

And what does the Premier do? He backs up, he backs up those libellous statements of the Minister of Justice when he knew that those statements were false — they were false. And what does the Premier then do? He says, well, I'll take it out of the Legislative Assembly and we'll put it into the Public Accounts Committee where it can be dealt with.

And what do your members do? They won't allow us to deal with those. And, Mr. Minister, the members of the . . . the member from Rosthern gets a little bit hurt when he hears the truth, when he hears the truth about what's happening in Public Accounts. What do they do? What do they do, Mr. Minister? On Agdevco, where the Provincial Auditor said he's had absolutely no problems in dealing with the private auditors, what do they do? They spend nine hours — nine hours on Agdevco where it should have taken 15 minutes. Why? Because they didn't want the committee to get to CIC where the problems were. And were they successful? Yes, they were. Yes, they were successful.

And the member from Rosthern smiles now because he knows, he knows because of his involvement, his filibustering in Public Accounts, we were unable to deal with CIC, and because the members opposite said to the Premier — oh, they knew the Premier wasn't serious anyway. They knew if they could get it out of here that he could command his lieutenants to do exactly what he

wanted them to do, and that is to filibuster Public Accounts and not allow us to consider the expenditures of Crown investment corporation where the real problems were. That's why you didn't want to deal with it here.

Mr. Minister, that is why, that is why you don't have the Provincial Auditor here, because I was going to raise those various things with you, and if you had asked the Provincial Auditor, he would have had to say, yes, the opposition is correct in its accusations. That's why you haven't got him here because you want to protect your backside again tonight.

Mr. Minister, on June 13, it was moved by the member from Regina Rosemont that the first department to be called before the Public Accounts committee be the Provincial Auditor. And that, Mr. Minister, deals with the first 20 or 22 pages of his report. That was negatived. Do you believe that our members voted against the member from Rosemont? We all voted with that motion.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — We all voted with it. But the member from Rosthern didn't, and the member from Cut Knife-Lloydminster didn't, and the member from Morse didn't. They all voted against it. The member from Assiniboia-Gravelbourg didn't vote with us — he voted against it. He voted against the Public Accounts Committee considering the Provincial Auditor's report, the first 20 pages, because that is where the accusations are made by the Provincial Auditor of interference by the Executive Council.

That's where the Provincial Auditor says that the Crown investments corporations, headed up by Executive Council over there, passed a minute saying, don't provide the information to the Provincial Auditor. That, Mr. Minister, is where your government took actions which were illegal — were illegal. And that is why the government members on that side refused to allow us to consider the first 20 pages of the auditors' report. That is why.

And, -Mr. Minister, I want you to assure this legislature tonight that when the Public Accounts Committee sit next, that we will be able to consider the Provincial Auditor's report beginning on page 1 and on then to page 20 and so on, that you will give us this assurance as the Premier did of this province when he said that we will get it out of this legislature; we'll get it to the Public Accounts where they can deal with it immediately he said. Will you give us that assurance?

Hon. Mr. McLeod: — Well I give the member the same assurance, and the assurance will be the following. First of all, Mr. Chairman, it should be noted that the member is referring to the . . . when he refers to the motion made by, I believe he said his colleague from Rosemont on June 13, that that motion referred to the budget of the '86-87 year.

Well I'm informed by members that are on the committee as well that the '86-87 Provincial Auditor year . . . And so after that was not done in the order in which was asked for by the motion by the member from Rosemont, the

Provincial Auditor 1986-87 report has been dealt with, I understand. And then you move to the report, the auditor's report, which is now under consideration by the Public Accounts committee, that being the '87-88 year, and as you know that that's not completed and that consideration isn't completed.

You have this assurance from me and from the members of this side of the House is that I can't and I won't stand in a House here as a minister of the Crown and say the order of business in the Public Accounts committee shall be this and you will begin on this page and go to there. But I will give you this assurance, that the annual report and all of the concerns that have been raised by the auditor and concerns that are raised by members on the committee will be dealt with before that '87-88 public auditor's report is completed. They'll be dealt with and the members will sit, and our members will be there and your members will be there, I'm sure, given your interest here now.

So you'll be there and our members will be there, and I'm sure that they'll be all dealt with. There's no question that they'll be dealt with, and our members are committed to that. So you will deal with them before the Public Accounts Committee rises and completes the details of the '87-88 year.

Mr. Van Mulligen: — Thank you, Mr. Chairman. Mr. Minister, one of the reasons that we've seen so much acrimony surrounding the whole question of public accountability and public accounts is because of the charges that were made in the House, charges which prompted — charges by the Minister of Justice — charges which prompted the Provincial Auditor to make a special report to the Legislative Assembly.

We have not yet seen any resolution of that special report. The House had not dealt really with the substance of that special report. There is a motion before the House, a motion made by the Government House Leader that the special report of the Provincial Auditor be referred to the Standing Committee on Public Accounts.

It now looks as if we're going to be out of this place in an hour, Mr. Minister, and I want to know from you, I want to have your assurance that sometime, sometime within the next hour, that you will move to proceed with that particular motion so that that matter of the auditor's special report can in fact be referred to the Standing Committee on Public Accounts, or for that matter, to any other — any other committee of this Assembly that might deal with that matter between now and the next session. Can you give us that assurance, Mr. Minister?

Hon. Mr. McLeod: — Well, Mr. Chairman, the motion which is on the blues today, in the order paper, for referring that *Special Report by the Provincial Auditor* to the Public Accounts Committee, I have no problem with giving an undertaking that we could pass that in this session today, whatever. We could pass it to refer it to the committee; I don't have any problem with doing that, and we will do that. You have your House Leader and ours deal with that, and I'm not involved in a direct way in the House business, but if that's the case, it's on the blues and

I know very well, as you do, that there are ways that that could be done. I have no problem with that being done and having that special report referred to the Public Accounts Committee to be dealt with in the Public Accounts committee as the regular '87-88 report is being dealt with in Public Accounts presently.

(2000)

Mr. Van Mulligen: — Well, Mr. Minister, we don't seem to get those assurances from the Government House Leader, and it's easy for you to say one thing, but the action doesn't seem to follow.

I want to ask just one question on funding for the Provincial Auditor's office, and this has to do, Mr. Minister, with the question of supplemental accounts. You will know that the *Public Accounts* indicate for each department how much might have gone to a particular employee, how much might have gone to a particular supplier, and each . . . there will be a minimum amount above which reports will be made as to specific individuals or specific companies, but below a certain amount it's not reported and it's simply said the total pay-out is for, say, employees under \$20,000 is so much.

One of the improvements that was made in 1974-75 was supplemental accounts which said that if someone, for example, is being paid 10,000 by this department, 10,000 by another department, and so on, we will report it in a supplemental account so that that information is then made available to the members of the Legislative Assembly and to the public, and the same thing for pay-outs to companies. If, for example, a company is . . . a supplier is paid \$9,000 here and \$9,000 there and \$9,000 there, that that amount would then be reported and we would know who that money has been paid to.

As it stands now, these supplemental accounts have not been provided since 1984, so we no longer have that information. I want to ask you, I want to ask you, can you give us your assurance that these supplemental accounts will again be provided?

Hon. Mr. McLeod: — Just a point of clarification from the member. The member's asking, I believe you said 1974. Now did you mean that there was a change in '84; is that what you were saying? In '84 or '74?

Mr. Van Mulligen: — In 1975 the Public Accounts recommended to the Assembly that there be supplemental accounts. Supplemental accounts were provided to the Assembly for the years 1976 through 1984. Subsequent to that, your PC government decided that it no longer wanted to provide supplemental reports. My questions is: when will we see those reports again?

Hon. Mr. McLeod: — I'm informed that there isn't a plan under way now to revert to the consolidation of those accounts, to add them. There's not a plan to revert back to that or to do that. I'm sure that's a matter, as it was in 1974, for the Public Accounts committee to deal with, as they did then. The Public Accounts Committee can deal with it now, and if there's another recommendation, I'm sure it could be looked at again.

Mr. Van Mulligen: — Let me just make one comment, Mr. Minister. Your government just passed legislation within the last year which demanded — which demanded — that urban municipalities in Saskatchewan table public accounts, and no one has any question or any problem with that. One of the requirement sit hat they provide supplemental information, which you now refuse to provide to the Legislative Assembly and to the people of Saskatchewan. I could only say, Mr. Minister, that hypocrisy is too strong a word to describe your actions.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Well, first of all, I hear the comment of the member, but I'm not sure that it's accurate to say that there was a requirement for the urban municipalities to have a consolidation ... inaudible interjection ... No, there's requirement for them to have public accounts, that's true, but the requirement for consolidation, I'm not sure that the hon. member is correct in that.

But in any case, Mr. Chairman, as I've said, the consolidation of accounts was a part of the public accounts in this province for a number of years. It is not at present. It came about as the result of recommendations of the Public Accounts Committee. That's without question the way in which it should be dealt with. The Public Accounts committee, if they came back with a recommendation for that to be done, I'm sure it would be considered by the Finance department.

Mr. Rolfes: — Mr. Minister, one last comment, that's all the time we have for the Provincial Auditor's estimates this evening. Mr. Minister, I think it can be very easily summed up, and I have dozens of statements made by the media, but I guess some of them that we could ... "Apologize or resign," is one in Saskatoon. They say there's no other alternative for the minister, either he apologizes for his inexcusable attack on a public servant or he resigns. He has done neither. And it's a shameful act when politicians take advantage of the immunity of this House to attack public servants. But the Minister of Justice has done that before.

The other one is, "government spending watch-dog kept on short leash", where it says the Provincial Auditor simply cannot do his job because the government is underfunding him; it's not giving him the resources that are necessary.

But I guess the worse indictment that you could have received was from the Swift Current *Sun*. And I'll just read the last sentence. It says:

The rest of us must play by the rules. The Devine government makes them up as it goes along. In short, it does as it damn well pleases.

Mr. Minister, I think that sums up not only the opinion of the editor of the Swift Current *Sun*, but I think reflects the opinion of the majority of the people of the province of Saskatchewan. You people have become arrogant. You people are incompetent. There is patronage, there's mismanagement, there's waste and there's corruption galore in your government, and I think that is borne out by the Provincial Auditor's report, and I think it's about time

that you start acting on some of the recommendations made by the Provincial Auditor.

Some Hon. Members: Hear, hear!

Item 1 agreed to.

Vote 28 agreed to.

(2015)

Motions for Supply

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. Mr. Chairman:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1989, the sum of \$577,113,700 be granted out of the Consolidated Fund.

Motion agreed to.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$2,161,222,300 be granted out of the Consolidated Fund.

Motion agreed to.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1989, the sum of \$671,952,200 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Chairman:

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$364,725,000 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

The committee reported progress.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Mr. Hodgins: — Mr. Speaker, I move that the resolutions be now read the first and second time.

Motion agreed to and the resolutions read a first and second time.

ADJOURNED DEBATES

MOTIONS

Referral of Report to Standing Committee on Public Accounts

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Hodgins.

Motion agreed to.

APPROPRIATION BILL

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, by leave of the Assembly I move:

That Bill No. 96, An Act for granting Her Majesty certain sums of Money for the Public Service for the Fiscal Years ending respectively on March 31, 1989, and March 31, 1990, be now introduced and read the first time.

Leave granted.

Motion agreed to and the Bill read a first time.

Hon. Mr. Hodgins: — Mr. Speaker, I would like to just make a very few brief comments respecting . . . with leave, Mr. Speaker.

Leave granted.

Hon. Mr. Hodgins: — Mr. Speaker, I'd like to just make a few short comments here this evening about the budget that we have passed. It has certainly taken a good many months to arrive at this point in history in the province of Saskatchewan. I will be very interested in listening to the opposition and hearing their comments and hearing their vision on some of the expenditures within this budget. And I can talk for a long while about the 4-point-some billions of dollars that have been expended in this budget.

And, Mr. Speaker, I would at this time, by leave of the Assembly and under rule 48(2) move that the Bill be now read a second and third time.

Leave granted.

Mr. Shillington: — Thank you, Mr. Minister. I will also be brief. This Bill traditionally marks the end of the session. The rules provide for a full day of debate; we rarely take that. It's usually done at the end of the session and this marks the valedictorian of the session.

Mr. Minister, and Mr. Speaker, I don't intend to take a long time this evening. The hour is late in what has been a very lengthy session. I just want to say that I leave this session with a sense of regret, not at battles lost. It's true that we in opposition lose some of the battles in this session. It's also been true that in this session we've won most of the battles where it counts, and that's in the court of public opinion. In the positions we have taken with respect to the major issues, be it SaskEnergy, be it the Potash Corporation of Saskatchewan, the sale, be it

waste, mismanagement, we have won those battles in the court of public opinion.

Some Hon. Members: Hear, hear!

Mr. Shillington: — I think, Mr. Speaker, that it is also, Mr. Speaker, it will be with a sense of regret and sadness that the public mark the end of this session. This session opened some four months ago, five months ago.

An Hon. Member: — Closer to six.

Mr. Shillington: — Six months ago, members opposite say. This session opened with a number of serious problems facing this province. The unemployment rate, Mr. Speaker, is twice what it was when this government took office. Mr. Minister, and Mr. Speaker, the taxes in this province have increased to the point where it has become one of the major issues, the rising rate of taxes. For the first time in the memory of any of us in this Assembly, population loss is an issue on everybody's mind and on everybody's lips.

Mr. Speaker, in a province which takes great pride in having introduced to the Dominion of Canada, modern concepts of health care, in this province which gave birth to medicare, we have people who wait for relatively simple treatment but which are really life-saving operations. In this province the public of Saskatchewan cannot get medical treatment for life-saving operations.

Mr. Minister, we have a situation in rural Saskatchewan, Mr. Speaker, we have a situation in rural Saskatchewan which was desperate last year and which in all likelihood is going to be worse this year. We have a situation in which capital investment and the confidence of our business community and investor confidence is at an all-time low.

What was the response of this government to those problems? This government paid some small lip-service to them in the throne speech, and has done virtually nothing since. Instead this government has been on a single track, that of privatization. They have been oblivious to the fact, Mr. Speaker, that the public of Saskatchewan have said, we don't want privatization; we don't want you to sell SaskEnergy; we don't want you to sell a Crown corporation such as the Potash Corporation of Saskatchewan, which returned rich returns to this province. Mr. Speaker, this government has been oblivious to all of that and has continued on an agenda without any reference to what the public want and without any reference to what the public needs.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, this government has long been noted for being incompetent. I pointed out earlier this evening that expenditures have increased at twice the rate of inflation at a time when public services have deteriorated very markedly. This government, Mr. Speaker, has been a very poor steward of this province's affairs. That, Mr. Speaker, is not particularly new.

It's an uncaring government, Mr. Speaker. The public of Saskatchewan were, I think it is fair to say, furious with

this government over the last couple of years for the fashion in which they have cut back services to those who need it. We discovered earlier this evening, Mr. Minister, that the Minister of Finance spent \$100,000 on travel, this at a time, Mr. Speaker, when there isn't \$90,000 to run a food program for hungry children in the city of Regina. That's an uncaring program; that's an uncaring government, Mr. Speaker.

Mr. Speaker, the public of Saskatchewan, after the '86 election, got a taste of the compassion of this government. They did away with the drug plan, of primary benefit to the old. They abolished the dental plan, of primary benefit to the young. They showed the compassion which they have that continues to this date.

What has become, I think, more evident to many of the people of Saskatchewan is the way this government has got out of touch. Mr. Speaker, this session has brought that home in stark, surrealistic terms in a fashion in which we haven't seen before.

Mr. Speaker, what's their answer to an unemployment rate which has doubled? It's to privatize. What's their answer to rising taxes and debt? Their answer is to sell Crown corporations which have returned to this province a rich return. What's their answer to a population loss which is ballooning, Mr. Speaker, and becoming a very serious problem? Their answer is to continue, Mr. Speaker, to sell off this province's heritage, the Crown corporations.

(2030)

Mr. Speaker, this government has given some lip-service to building. They may talk about building, what they actually do is they sell and sell and sell, the inevitable result of which is to tax, tax, tax.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, when this government sells Crown corporations such as Saskoil, SaskEnergy and Sask Minerals, and I can name others which make money, when they keep a hammer-lock on such treasures as GigaText, Joytec, and Canapharm, Mr. Speaker, the inevitable result of such a foolish policy is that taxes are going to go up.

Mr. Speaker, the question I get asked all over this province is: is there nothing that can be done to stop these people? The answer, Mr. Speaker, is that there is something that can be done. In a year, it may be as long as two, it may be a few months, Mr. Speaker, there is going to be an election. The public of Saskatchewan are finally going to get their chance to stop this government, and they're going to stop it dead in its tracks.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, they're going to elect a government which will bring some sanity back, Mr. Speaker, to this province's financial affairs. They're going to elect a government which shows compassion, which cares for the poor, the needy; which doesn't turn a blind eye to hungry children in our cities; doesn't turn a blind

eye to desperate farmers attempting to hang on through successive years of drought.

Mr. Speaker, perhaps before the next session, perhaps after it, the public of Saskatchewan are going to have a chance to deal with the problems which this government has visited on them, and I predict when they do they'll be electing a government led by the member from Riversdale.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you very much, Mr. Speaker. I would like to take a few moments of the Assembly's time this evening to add my comments in summation of what has transpired during this session and to offer a few observations to all members of the Assembly as to this session. And I certainly, Mr. Speaker, want to begin by expressing the sincere appreciation, and I'm sure by not only all members on this side of the House, but I would in fact trust, by all members opposite, to the entire staff of this Legislative Assembly.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — The officers, Mr. Speaker, at the Table over this session have had a difficult job. I believe that they have conducted themselves with the highest of professional standards, and I believe that that should not go unrecognized by this Assembly.

I say, Mr. Speaker, that we also owe a debt to the pages of this Assembly, and I say, Mr. Speaker, particularly to those dedicated souls in *Hansard* who have stayed here night after night getting the *Hansard* together for us. And so, Mr. Minister to the *Hansard* staff, who are listening as I speak tonight, I say take note that members of this Assembly are indeed appreciative of your efforts.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — I want to thank as well, Mr. Speaker, the other employees of the Legislative Assembly. I want to thank the commissionaires. I want to thank the Sergeant-at-Arms, the library, the law clerk, the secretaries, the administrative staff, and indeed, Mr. Speaker, all of the caucus staffs of each respective caucus. They have taken on extraordinary duties, Mr. Speaker. They have sacrificed family events; they have sacrificed holidays to be here, Mr. Speaker, for a very, very long session — indeed the longest session in the history of this province if you include the 17-day walk-out, or as some refer, the strike.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — And, Mr. Speaker, I want to talk now specifically a brief discussion on the purpose of this entire debate . . .

The Speaker: — Order. Order.

Hon. Mr. Hodgins: — Mr. Speaker, the Leader of the Opposition in his speech not too many days ago referred to the subject "grievance before supply." I have not been a student of history, but I do understand that grievance

before supply dates back to the Magna Carta of 1915, or some such . . . 1215, pardon me, 1215. And, Mr. Speaker, the essence of that principle is that a government presents a budget, the opposition has the right to question each and every expenditure and, Mr. Speaker, each and every expenditure in this Bill that we debate tonight is some \$4.3 billion. And I say, Mr. Speaker, we should all look very closely, we should all look very closely at where the opposition have placed their priorities, if any.

And I ask the question, Mr. Speaker: has the opposition's priorities, has the NDP priority been on health care — \$1.4 billion — throughout this session? The answer is no. Has their priority been in agriculture, Mr. Speaker? Well I think not. And the farmers of Saskatchewan know not. I say, Mr. Speaker, has the NDP's priority in this budget been education or social services or Indian and Metis issues? I say there is no evidence of priorities of the NDP on any one of those aforementioned subjects. I say, Mr. Speaker, and I recall vividly, I recall vividly a new leader . . .

The Speaker: — Order, order.

Hon. Mr. Hodgins: — I say, Mr. Speaker, that the new Leader of the NDP not that long ago said to the people of Saskatchewan, I will go out and I will form task force on health care, on agriculture, on education, on social services, and I will present to the people of Saskatchewan a glowing alternative to the Progressive Conservative government. Well, Mr. Speaker, a glowing alternative it is.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — And I will quote to you, Mr. Speaker . . .

The Speaker: — Order, order.

Hon. Mr. Hodgins: — I will quote to you, Mr. Speaker, and this is a telling quotation that I have spent considerable time in digging out because it is so very appropriate for this evening, comes from November 27, 1987:

Thus far Romanow has not demonstrated a propensity to make clear and meaningful stands on major issues. In time he may, and find a new direction (a new direction) for the NDP, one that gives people a better idea of where the party and where the leader stands.

Well that is the \$64,000 question, is where do they stand, Mr. Speaker, where do they really stand? Do they have this thing called a vision or priorities in any one of the aforementioned items? I say no, Mr. Speaker, and they have not fulfilled their responsibilities here in this legislature in tackling any one of those issues, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, oh, they talk, they talk and some of them are good at talking, Mr. Speaker; some of them are good at acting. But, Mr. Speaker, the people of

Saskatchewan have and will continue to see through those members opposite, I tell you, Mr. Speaker.

Mr. Speaker, this has been one of the longest sessions in the history of this legislature. Much of what goes on in these rooms here, Mr. Speaker, is remembered, but much of it is not. And the question becomes, Mr. Speaker, what will this session be remembered for? Well, Mr. Speaker, I will tell you, there is one thing that this session will be remembered for, and that is Bill No. 20, the potash Bill that was brought to these people of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker . . .

The Speaker: — Order, order. I think there are limitations to even what we're doing tonight. Order, order.

Hon. Mr. Hodgins: — We, Mr. Speaker, and the public of Saskatchewan, are very familiar with that debate, and it was a debate, Mr. Speaker, that lasted a long time. It lasted long in length, but it had little or nothing in content until the final dying days of that debate, Mr. Speaker. And, Mr. Speaker, I say furthermore . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — I say furthermore, Mr. Speaker, the people of Saskatchewan know that that debate did not just take place over 118 hours; that debate, Mr. Speaker — and I speak now on behalf of people of all political persuasions — that debate took place over a period of 13 years; 13 years that debate took place.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, what is this privatization of the potash corporation all about? I say, Mr. Speaker, that debate is all about vision, that debate is all about the future, that debate is all about tomorrow, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, and what is the members' opposite, what are the members' opposite views of the future? What is their vision, Mr. Speaker? Their vision is nothing, nothing but a vision of yesterday — government control, state ownership . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — And they applaud — you bet. Well, Mr. Speaker, I want to compare that vision of yesterday with the vision of the Devine Progressive Conservative administration.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — I say, Mr. Speaker, you all know that that is a vision . . .

The Speaker: — Order, order.

Hon. Mr. Hodgins: — Well, Mr. Speaker, that vision of

which I speak is about the future, Mr. Speaker, it is about building, it is about diversification. And, Mr. Speaker, more importantly it is about true ownership by the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — And, Mr. Speaker, let us just compare that vision with the vision of members opposite on behalf of the young people of Saskatchewan. Quite a vision the members opposite have for our young people — state ownership. Quite a vision for our business people, quite a vision — state ownership. Quite a vision for our farmers who farm the land — state ownership! That is quite a vision. It is a vision of all members on the opposite side that should be very, very proud.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker . . .

The Speaker: — Order, order. I believe hon. members should really get a hold of themselves. Order. Now I don't believe that . . . and I'm sure you agree, that the hon. member should not be interrupted. The member for Elphinstone and Regina Rosemont.

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, let me remind you and the people of Saskatchewan about a debate that did not take place in this legislature, Mr. Speaker. And, Mr. Speaker, the opposition walked right out of this House. The opposition, Mr. Speaker, went on strike for 17 days. And, Mr. Speaker . . .

Some Hon. Members: Hear, hear!

(2045)

Hon. Mr. Hodgins: — And, Mr. Speaker, they acknowledge with glee that they are proud of that fact that they walked out of here . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — And, Mr. Speaker, the members opposite stand in their places, and I remember a very eloquent speech in this legislature by the Leader of the Opposition, one of the best articulations of any person I have ever heard was given by the member opposite not many days ago, delivered very well, but, Mr. Speaker, he talked about democracy . . .

Hon. Mr. Hodgins: — Yes, Mr. Speaker, he talked about democracy. But the question . . .

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Part of democracy . . . One of the fundamentals of democracy is to allow hon. members to speak in this House, especially without continuous — order, order — without continuous interruption, and I don't think we're adhering to that here tonight.

Hon. Mr. Hodgins: — But the real question, Mr. Speaker, when the leader opposite talks about democracy: is the man acting again, or is he for real? I submit to you, Mr. Speaker, nothing more than an act — nothing more than an act.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Yes, Mr. Speaker, and I'll talk about another act of the NDP, and that was to have their campaign in the Assiniboia-Gravelbourg based on fear and desperation and walking around throughout that campaign, talking to people and trying to scare, scare the people of this province, Mr. Speaker. Well I say there were not successful in that by-election; they were not successful on campaigning on fear and desperation and fearmongering.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, they prance around and told everybody, just like they did with free trade, that the sky is falling in, Mr. Speaker. Well I ask you to look up if you can through that dome and see if the sky is still there or not, Mr. Speaker. False words by the members opposite, and that is quite a way to campaign.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, did the members of the NDP throughout this session have anything new on agriculture? No, and they even acknowledged it themselves. Not a single policy came out of members opposite respecting agriculture in this session. Quite a thing to be proud of as an opposition in an agricultural-based province who did not present one solid alternative or proposal respecting agriculture through almost six months, Mr. Speaker. It's a shame; it's a shame.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, the members opposite say that they are for the little guy. Well here again another act, another false act, Mr. Speaker — they're for the little guy. Well, what about the little guy? And I want to use an example that is a very good example of privatization. What about that little fellow from the Department of Education, in the duplication department? He left his employ with the government, he bid against several others on a contract, established a very successful company, which not only does government work but work for the free enterprise sector, and today he is very successful. Did they consider once that little guy, that little guy? Did they?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Not at all. Let's look at the Saskatchewan Government Printing corporation that was sold. Well who bought it, Mr. Speaker, but the employees of that corporation — the little people. Have you considered them once? I say, no, Mr. Speaker, and I say the NDP throughout this session have said no to the little people like that, the little guy, the little guy.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, the public of Saskatchewan are growing to understand the NDP and are growing to understand the benefits of such things as privatization of the printing company.

Mr. Speaker, I want to turn now and quote from the member's handbook, the members' handbook or the rule book within this legislature. And, Mr. Speaker, I quote:

It has been sanctioned by usage that a member while speaking must not use his right of speech for the purpose of obstructing the business of the House.

Well, Mr. Speaker, I ask you — I ask you, Mr. Speaker — 12 and 13 hours by single members giving a history of almost the whole free world, is that obstruction?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, let us ask the question, Mr. Speaker: what were one of the goals or objectives set by the NDP at the start of the session? What was the goal that we all read about, Mr. Speaker? Well I say, Mr. Speaker, that goal clearly in print, to make the province ungovernable, to create a climate of political revolt, proud to be a radical, throwing sand in the eyes of a government — quite a goal, quite a goal indeed.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Members opposite should be proud of that goal, proud of that goal. And, Mr. Speaker, some may say, oh well, they just said a few of these things. And I didn't believe it at first, Mr. Speaker, because you cannot take one or two statements in isolation. But you put the pieces of the puzzle together, put them together, sand in the eyes of a government, political revolt, make the province ungovernable — put all of that together, Mr. Speaker, and that type of thinking is what I call radicalism, and it is alien, it is foreign to the people of Saskatchewan, foreign.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, members opposite said they would do all of those things and they'd make the place ungovernable; they would use every rule in the book. Well, Mr. Speaker, I tell you, I read that book too. I read that book to, Mr. Speaker, and when I came to a certain page, I found rule no. 31. And, Mr. Speaker, frankly — frankly — there was little or no choice to an opposition that vowed the things that I just mentioned, and vowed to debate here indefinitely. You tell me the choice, Mr. Speaker. And they cried foul, and they had big crocodile tears. Well, Mr. Speaker, the public of Saskatchewan knows full well that members opposite had asked for everything that they got by using that rule.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — What else did we say during this session, Mr. Speaker? We saw members walk out of here

calling quorum and running around like a bunch of kids in grade school. Mr. Speaker, we saw decorum in this institution reach an all-time low, Mr. Speaker. And I'd say, Mr. Speaker, this in the last while has been a place, Mr. Speaker, where the eloquent debate that has taken place over history has been reduced by the NDP to language that I say to you, Mr. Speaker, would be better served in a beer parlour. I say that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, we have seen words and heard words like sleazy, traitor, slimy, coward, and on and on, Mr. Speaker. And the people of Saskatchewan are . . .

The Speaker: — Order, order. The members are asking for order. I certainly agree with them. Order is something we have not had in the last five or 10 or 15 minutes, and perhaps hon. members could adhere to their own rules and allow the member to speak. The member is in order. Order, order.

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Well, Mr. Speaker, I want to talk to you tonight, Mr. Speaker, about what NDP-style of debate has become. It has become not what you say but how loud you say it. It has become, Mr. Speaker, now how long you talk . . . not what you say, Mr. Speaker, but how long can you talk. Mr. Speaker, it is not to listen to what one has to say, but it is to see how much noise you can make when people are saying something in here. Well, Mr. Speaker, members of the NDP have brought down the dignity and the respect and the eminence that this legislature had at one time, to the lowest level of all time — the lowest level, Mr. Speaker.

Mr. Speaker, there is no question that this legislature needs reform. And I'd say not reform for the sake of change, but reform to preserve the credibility and the dignity and the very reason and essence for this magnificent place being here, Mr. Speaker. It needs that reform.

And, Mr. Speaker, I would respectfully request of members opposite that they allow that reform to take place. And I was pleased to present a motion to this legislature on behalf of all members that establishes rules committees, and asked for a report to be served back to this legislature, Mr. Speaker. And the people of Saskatchewan, the people of Saskatchewan are expecting and awaiting the outcome of that report.

Mr. Speaker, it is clear, it is clear that over the past number of months the vision of this administration has become very evident — a building vision. And I could talk long whiles, Mr. Speaker, on building with the things that the good Lord has given us.

That is an abundance of natural gas to build many things, Mr. Speaker, out to farmers; to build fertilizer plants, Mr. Speaker; to create jobs and employment and enhance the creation of wealth. I could talk about using that heavy crude that we have in that ground, Mr. Speaker, and upgrading it to make our own diesel fuel. I could talk, Mr. Speaker, about taking the trees and the forest throughout this province, and making pulp and making paper out of

it, Mr. Speaker. I could talk, Mr. Speaker, about allowing our native people, our Indian and Metis people, participation, such as Meadow Lake saw mill, Mr. Speaker — and a fine example that is. I could talk, Mr. Speaker, for a long time about all the list of buildings. And I could talk, Mr. Speaker, for a long while as well about protecting individuals from high interest rates, protecting individuals, Mr. Speaker, with our many farm programs, and protecting individuals, Mr. Speaker, with more than \$1.4 billion in health care, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, I want to sum up, I want to sum up the session in a few short lines now, Mr. Speaker. And I'd say, Mr. Speaker, let us talk once again about goals. The NDP set out on a goal to make this province ungovernable, political revolt. Mr. Speaker, they failed; we have passed in this legislature, I believe, 87 out of 98 Bills. We've voted on them; debated them; they're passed.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — They failed; they did not make it ungovernable. I'd say, Mr. Speaker, democracy has functioned. They failed: goal number one.

Goal number two by the NDP: let us cling to state ownership; let us cling to that vision of yesterday. Goal number two by the NDP. Well, Mr. Speaker, by the very essence of passing Bill No. 20, they have failed on their second goal.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, and what would be the third goal? They didn't have it, but what would be the third goal if people were asking? People would say, well the goal for an opposition should be to present some alternative, some alternative proposals. Well, Mr. Speaker, we have not seen nor heard concrete proposals from the NDP as alternatives. And, Mr. Speaker, I submit to you the NDP has failed and failed miserably when it comes to alternatives.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, Mr. Speaker, and the fourth failure of the NDP and probably the most significant is that they have failed themselves. They have failed in the eyes of their constituents, Mr. Speaker, and they have failed in the eyes of the voters of Saskatchewan. Because, Mr. Speaker, I submit to you again, I submit to you again the kind of things, the kind of things that have been said by the NDP are alien to the real people of Saskatchewan. Mr. Speaker, they're not used to political revolt; they're not used to throwing sand in the eyes of the government; they are not used to making the province ungovernable.

And the NDP has failed and the future will show, Mr. Speaker, because the voters will acknowledge that significant failure of the NDP.

Some Hon. Members: Hear, hear!

(2100)

Hon. Mr. Hodgins: — Mr. Speaker, I believe that close to six months has now elapsed, and I believe that that is long enough, Mr. Speaker, and I want to say once again, on behalf of all members on the government side of the House, that our determination, our determination to manage this province to the best of our abilities, as the people elected us to do, has never been stronger than it is tonight. Never! Never!

Some Hon. Members: Hear, hear!

Motion agreed to and, by leave of the Assembly, the Bill read a second and third time and passed under its title.

MOTION

House Adjournment

Hon. Mr. Hodgins: — Mr. Speaker, before adjournment and, by leave of the Assembly, I would move, seconded by the member for Redberry, by leave of the Assembly:

That when this Assembly adjourns at the end of this sitting day, it shall stand adjourned to date and time set by Mr. Speaker, upon the request of the government, and that Mr. Speaker shall give each member seven clear days notice, if possible, by registered mail of such date and time.

Leave granted.

Motion agreed to.

ROYAL ASSENT TO BILLS

At 9:03 p.m. Her Honour the Lieutenant governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 2 — An Act respecting Railways in Saskatchewan
 Bill No. 3 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Railway Act
 Bill No. 47 — An Act to amend The Municipal Revenue Sharing Act
 Bill No. 6 — An Act to amend The Wills Act
 Bill No. 11 — An Act to amend The Criminal Injuries Compensation Act
 Bill No. 12 — An Act respecting Regulations
 Bill No. 16 — An Act to amend The Clean Air Act
 Bill No. 51 — An Act to amend The Uniform Building and Accessibility Standards Act
 Bill No. 54 — An Act respecting Emergencies
 Bill No. 58 — An Act to amend The Wakamow Valley Authority Act
 Bill No. 59 — An Act to amend The Meewasin Valley Authority Act
 Bill No. 64 — An Act to amend The Clean Air Act (No. 2)
 Bill No. 65 — An Act to amend The Environmental Management and Protection Act
 Bill No. 80 — An Act to amend The Department of Justice Act

Bill No. 13 — An Act respecting Certain Amendments to Certain Acts resulting from the enactment of The Regulations Act, 1989
 Bill No. 57 — An Act to amend The Wascana Centre Act
 Bill No. 9 — An Act respecting Adoption
 Bill No. 90 — An Act to amend The Legal Aid Act
 Bill No. 8 — An Act to Promote the Growth and Development of Children and to Support the Provision of Child Care Services to Saskatchewan Families
 Bill No. 46 — An Act to amend The Ophthalmic Dispensers Act
 Bill No. 56 — An Act to amend The Human Resources, Labour and Employment Act
 Bill No. 77 — An Act respecting the Licensing and Operation of Medical Laboratories
 Bill No. 79 — An Act to amend The Medical Profession Act, 1981
 Bill No. 27 — An Act to amend The Mineral Resources Act, 1985
 Bill No. 34 — An Act to amend The Parks Act
 Bill No. 38 — An Act to amend The Saskatchewan Mining Development Corporation Reorganization Act
 Bill No. 60 — An Act to amend The Northern Municipalities Act
 Bill No. 72 — An Act to raise Revenue for Hospitals by the Imposition and Collection of Taxes with respect to Participation in and the Operation of Lottery Schemes
 Bill No. 82 — An Act respecting Small Business Investment Incentives
 Bill No. 87 — An Act to amend The Urban Municipality Act, 1984
 Bill No. 89 — An Act to amend The Department of Energy and Mines Act
 Bill No. 7 — An Act respecting the Protection of Children and the Provision of Support Services to Families
 Bill No. 45 — An Act respecting Personal Care Homes
 Bill No. 53 — An Act to amend The Public Libraries Act, 1984
 Bill No. 70 — An Act to amend The Education Act
 Bill No. 75 — An Act to amend The Saskatchewan Evidence Act
 Bill No. 84 — An Act to amend The Builders' Lien Act
 Bill No. 85 — An Act to amend The Mineral Taxation Act, 1983
 Bill No. 30 — An Act to amend The Fuel Tax Act, 1987
 Bill No. 49 — An Act to amend The Stray Animals Act
 Bill No. 62 — An Act to amend The Stock Savings Tax Credit Act
 Bill No. 63 — An Act to amend The Revenue and Financial Services Act
 Bill No. 68 — An Act to amend The Income Tax Act
 Bill No. 78 — An Act to amend The Saskatchewan Telecommunications Act
 Bill No. 81 — An Act respecting Rural Municipalities
 Bill No. 94 — An Act respecting Representation in the Legislative Assembly
 Bill No. 95 — An Act to amend The Electoral Boundaries Commission Act
 Bill No. 71 — An Act to amend The Renewable Resources, Recreation and Culture Act
 Bill No. 26 — An Act to amend The Planning and

Development Act, 1983

Bill No. 86 — An Act respecting Co-operatives
 Bill No. 76 — An Act to amend The Credit Union Act, 1985
 Bill No. 67 — An Act respecting Gaming and the Saskatchewan Gaming Commission
 Bill No. 96 — An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Years ending respectively on March 31, 1989 and on March 31, 1990

Her Honour retired from the Chamber at 9:09 p.m.

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, I move:

That this House do finally adjourn.

Mr. Lingenfelter: — Mr. Speaker, before the House adjourns, I wonder if I could wish everyone a pleasant summer, what's left of it, and also join with the Government House Leader in wishing the staff a pleasant holiday as well, and saying to Mr. Speaker as well for the job well done, happy holiday to you as well.

Some Hon. Members: Hear, hear!

The Speaker: — The Deputy House Leader has moved that this House do now adjourn. Before I put the question, I too would like to extend my thanks to the Clerks and to the legislative staff who I believe have done yeomen's service in very trying times. And I would also like to thank the hon. members for working with them, and I wish you all a pleasant time before we meet again.

This House now stands adjourned to the call of the Chair.

Some Hon. Members: Hear, hear!

The Assembly adjourned at 9:12 p.m.