

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**May 16, 1995**

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Goohsen:** — Thank you, Mr. Speaker. I have today several hundred signatures of people that want to petition the government. And I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program towards double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

And as in duty bound, your petitioners will ever pray.

They come from the area of Golden Prairie, Eastend, looks like Gull Lake area, Ravenscrag; we have Consul and just about every town, I guess, in the south-west and so I won't read all of them. But I'm happy to table these on behalf of the people of Saskatchewan today.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I also have petitions to present today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, recognizing that gun control and crime control are not synonymous, and allowing provinces to deal with gun control legislation on a provincial basis.

And as in duty bound, your petitioners will ever pray.

These petitions come from Estevan, Alida, Storthoaks, Bienfait, Maryfield, Glen Ewen, Carievale, Redvers, Antler, Wauchope and Bellegarde areas of the province, Mr. Speaker. I so present.

**Mr. Toth:** — Mr. Speaker, I too wish to present petitions to the Assembly, and I'd like to read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, recognizing that gun control and crime control are not synonymous, and allowing provinces to deal with gun control legislation on a

provincial basis.

And as in duty bound, your petitioners will ever pray.

And the petitions I present are basically signed mostly from that Yorkton, Springside, Theodore area, as well as Kinistino and Yellow Grass. I so present them.

**Mr. Britton:** — Thank you, Mr. Speaker. I too have some petitions to present and I will just read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on the abusers, recognizing that gun control and crime control are not synonymous, and allowing provinces to deal with gun control legislation on a provincial basis.

As in duty bound, your petitioner will ever pray.

Mr. Speaker, these come ... a lot of these come out of Saskatoon, Invermay, MacDowall, and places like that. I would be pleased to present them today, Mr. Speaker.

**Mr. Neudorf:** — Thank you, Mr. Speaker. The petitions continue to pour in and it is my pleasure to table some of those today as well. And the prayer of my petition is similar to my colleagues':

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, recognizing that gun control and crime control are not synonymous, and allowing provinces to deal with gun control legislation on a provincial basis.

And as in duty bound, your petitioner will ever pray.

Mr. Speaker, these petitioners this afternoon come from the Foam Lake, Watson, Mozart area, as well as Carnduff and Gainsborough. And it gives me pleasure, Mr. Speaker, to lay these on the Table this afternoon.

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I as well have petitions with regard to the issue of firearms in Saskatchewan and the people of Saskatchewan that are very concerned about this issue.

These petitioners, Mr. Speaker, come from the Lampman area, Estevan, as well as from my constituency; a number of petitioners from Eston and area. And I'd be pleased to present them on their behalf today.

## READING AND RECEIVING PETITIONS

**Clerk:** — According to order the following petitions have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

Of citizens petitioning the Assembly to allocate adequate funding toward the double-laning of Highway No. 1.

And of citizens petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

## PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

### Special Committee on Regulations

**Clerk:** — Mr. Toth, from the Special Committee on Regulations, presents the fourth report of the said committee, which is hereby tabled.

**Mr. Toth:** — Thank you, Mr. Speaker. It's my pleasure to present the report of the Special Committee on Regulations and move, seconded by the member from Qu'Appelle-Lumsden:

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

Mr. Speaker, I think once the Assembly takes a minute to review the report and the number of regulations that have been reviewed by this committee, you may be surprised at the amount of time that has been spent, the reviews that have taken place of the regulations and the by-laws.

And I can only suggest, Mr. Speaker, that that was only made possible because of the able assistance received by the Clerk of the Assembly and certainly by the Legislative Law Clerk. And we as a committee would like to thank these individuals for their willing and able assistance and the time they've taken in bringing the reviews to the attention of the committee.

I'd like to also thank all committee members for their indulgence in allowing us to have had ample time and reviewed very judiciously the report that has been brought forward and the different regulations. And as well acknowledge the fact that a number of departments and certainly ministers in the past have taken time to acknowledge the work of the committee and bringing forward the needed changes in legislation and regulations to bring them up to date and address the concerns that committee members have brought forward.

So it's my pleasure to indeed move:

The fourth report of the Special Committee on Regulations be now concurred in.

**Ms. Murray:** — Thank you, Mr. Speaker. I'm pleased to

second the motion brought forward by my colleague, the member from Moosomin, who was certainly a most diligent Chair. I'd also like to thank Gwenn Ronyk and Bob Cosman for their work on the committee and the committee members as well. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

Motion agreed to.

## INTRODUCTION OF GUESTS

**Mr. Van Mulligen:** — Mr. Speaker, a combination of the poor lighting in the galleries and his casual dress, which in this case is almost anything but black suits and black robes, had me guessing; but I've had it confirmed that there are two visitors in your gallery that I should like to introduce to you and through you to the members.

He is currently a history student at the University of Saskatchewan, but prior to that was the Clerk of that other place, the Senate in Ottawa. And I think by this time it's becoming clear to those who did serve here before that I'm referring to a former Clerk of the Legislative Assembly, who is seated in your gallery, and his wife. I would like the members to please join me in welcoming Gordon and Elaine Barnhart.

**Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you, Mr. Speaker. I'd like to join with my colleague in welcoming Mr. Barnhart and his wife Elaine on behalf of the opposition caucus. Certainly it was my pleasure to have worked with Gordon for awhile in the Assembly and I think we really appreciated his efforts in this House and certainly wish them the best in the future. Again, thank you for coming and letting us know you're still around.

**Hon. Members:** Hear, hear!

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I too would like to join with my colleagues in this House in welcoming Mr. Barnhart and his wife. I had the great pleasure of having a most thoughtful, intelligent, and insightful conversation with Mr. Barnhart and hope that we can do that again in the near future.

I too would like all of the colleagues of this House to join together in welcoming the two of them one more time.

**Hon. Members:** Hear, hear!

**Ms. Hamilton:** — Thank you, Mr. Speaker. I have two introductions. One is to join with my colleagues in welcoming Gordon and Elaine Barnhart, who were wonderful hosts to a Saskatchewan delegation one time when we were in Ottawa, but also go back a long way to times when our children were being driven together to Montessori School when they were preschool children. So I've had a long association with the family and I indeed welcome them here this afternoon.

I would also like to introduce to you and through you to members of the Assembly, 26 grade 4 students who are seated in the west gallery this afternoon. They're from St. Marguerite Bourgeoys School in the constituency.

I recently had an opportunity to visit with teachers and parents who had an issue of concern, and now I'm looking forward to meeting with the students after they've had a chance to have a tour and a photo with me later on the steps. Accompanied this afternoon by Betty-Ann Faber and Janice Hicock as the teachers that are with them this afternoon.

I'd ask all members to join with me in giving them a warm welcome today.

**Hon. Members:** Hear, hear!

**Ms. Lorje:** — Mr. Speaker, I once again would like to compliment you on your impartiality. At the risk of embarrassing a couple of constituents of mine, for the fifth time around, I would like to welcome to this House, Mr. and Mrs. Barnhart. And although I haven't had the opportunity recently to talk to Mr. Barnhart, I did a couple of weeks ago talk to Mrs. Barnhart in the Lakeview pharmacy and I must say it was a very thoughtful, intelligent, and insightful conversation that we had. So I would ask all members to, for the fifth time, welcome the Barnharts to this Assembly.

**Hon. Members:** Hear, hear!

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, to you and through you to the Assembly, I would like to introduce 25 grade 8 students seated in the east gallery, from the Carnduff School. Accompanying the students is their teachers, Art Keating and Brian Nicholls, along with their chaperons, Mr. and Mrs. Logue. I'd like to welcome them here today. It's a long drive from Carnduff.

And not only has this group come in today, Mr. Speaker, but we had a group earlier this morning from Arcola. And I would like to ask the Assembly to welcome the students and teachers from the Carnduff School.

**Hon. Members:** Hear, hear!

**Hon. Mr. Lingenfelter:** — Mr. Speaker, it's my pleasure to introduce to you and through you to members of the Assembly, seven individuals seated in your gallery. They are individuals who are presently taking cancer treatment at the hospital here in Regina. I know that all members will want to join with me in wishing you and your families the very best at this most difficult time. And I'm hopeful that you will enjoy question period.

As well, my friend and colleague from Qu'Appelle-Lumsden will be meeting with you after question period, and I'm sure you'll have an interesting discussion. Welcome.

**Hon. Members:** Hear, hear!

**Ms. Murray:** — Thank you, Mr. Speaker. It's a great pleasure for me this afternoon to introduce to you and through you to my colleagues in the Assembly, some guests on behalf of my colleague, the minister from Rosetown-Elrose.

There are 40 grade 8 students seated in your gallery, Mr. Speaker. They are from Rosetown Central High School in Rosetown. They are accompanied by their teachers, Mrs. Formack and Mr. Wiebe.

I understand that they've had a tour and that they're going to be with us for question period, which I hope they will enjoy. And I'm looking forward to meeting with them later on for questions.

So please join me in giving them a warm welcome. Thank you.

**Hon. Members:** Hear, hear!

**Hon. Mr. Pringle:** — Thank you very much, Mr. Speaker. Mr. Speaker, I would like to join the hon. member from Souris-Cannington, if I might, to welcome the students, teachers, and parents from Carnduff. I can't see them, but Carnduff is my home town and my parents still live there, and this is a long tradition of the grade 8 class coming in to the legislature. I had that privilege not too many years ago.

At any rate, I hope that you enjoy today. Good to see you, and have a safe trip back. And all the best in your studies for the rest of the year. Thanks for coming.

**Hon. Members:** Hear, hear!

## STATEMENTS BY MEMBERS

### StatsCanada Reports Provincial Economic Growth

**Mr. Roy:** — Mr. Speaker, we have all known that the Saskatchewan economy is growing, and now Statistics Canada's latest figures confirm what we have been saying all along. The Saskatchewan economy grew by 4.5 per cent in 1994, several points ahead of the national average. It is the province's best performance in four years.

There was growth in the energy, mining, and agricultural sectors. The oil patch is seeing an increase in activity, production of potash rose dramatically in 1994, and total crop receipts increased 38.2 per cent in 1994.

To demonstrate that this trend is continuing, the total value of manufacturing shipments increased by almost 23 per cent in January, 1995 over January, 1994. Total exports increased 70 per cent in the same period and exports of agricultural products were up by 77.5 per cent.

Mr. Speaker, one doesn't have to look very far to see that this increase in economic activity is helping to create jobs all across Saskatchewan. There was an increase of 9,000 jobs from March, 1994 to March, 1995. The future expansion of

Thompson Meats in Melfort will mean the doubling of this company's 70-person workforce. Cargill will build a canola crushing plant near Saskatoon creating hundreds of jobs.

Mr. Speaker, these two projects are good examples of the kind of growth that is taking place right across the province in rural and urban Saskatchewan. Congratulations to the businesses and employees who are helping the provincial economy grow. Thank you very much, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

#### **Economic Development and Cooperatives Conference**

**Ms. Stanger:** — Mr. Speaker, the provincial government, together with Saskatchewan cooperative organizations, is hosting a conference which will be held in Saskatoon, June 12 to 14, with the theme of Building Our Future: Economic Development and Cooperatives into the 21st Century. Conference chairman is Garf Stevenson.

Mr. Speaker, I am pleased to report that this event has so far attracted about 400 delegates, including speakers from 20 different countries around the world. Speakers include prominent Canadian and Saskatchewan cooperators, such as Yang Deshow, secretary-general of the All China Federation of Supply and Marketing Cooperatives, probably one of the largest cooperatives in the world with 160 million member households.

Edgar Parnell, director, Plunkett Foundation of cooperative studies, Oxford, England; Nettie Wiebe, president, National Farmers Union, Saskatoon; Manyika Gombera, treasurer, Organization of Collective Cooperatives of Zimbabwe; Roberto Rodrigues, vice-president of Americas region, International Cooperative Alliance, Sao Paulo, Brazil; and our Premier.

Other countries represented at the conference will include the United States, Switzerland, Nicaragua, Columbia, Thailand, Greece, Japan, Italy, and India. Mr. Speaker, cooperatives can play a key role in fostering world prosperity because they can thrive in both developed and developing countries.

I am excited by the prospect of such a unique gathering here, in one of the strongholds of cooperation, discussing the future implications of everything from publicly traded cooperatives to globalization and technology.

**Some Hon. Members:** Hear, hear!

#### **International Science and Engineering Fair**

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, it was almost one month ago that I informed the Assembly that a grade 12 student in my riding would be a team Canada representative at the 1995 International Science and Engineering Fair in Hamilton, Ontario.

Jason Leuschen of Bruno Central High School has returned

home for that competition, Mr. Speaker, and I am pleased to say that he won an award for a project with industrial applications sponsored by the Society of Manufacturing Engineers. Jason wins a scholarship, a plaque, and prize money for his showing at this competition.

I'm also pleased to mention that the team Canada was awarded with one-third of the first place finishes. This is a remarkable achievement because there were over 30 countries participating in this competition, and this was Canada's first year. Jason and team Canada members have helped Canada make its mark in the international community by demonstrating excellence in science.

Mr. Speaker, not only has Jason done well in science and engineering fields but his writing skills have received top honours as well.

He will be representing Saskatchewan as a youth ambassador in Europe this summer after winning an essay contest. Each province will send one representative to England, France, and Switzerland, to promote cultural awareness. This trip, sponsored by E.F. Educational Tours, will take place in July.

Mr. Speaker, I would like to congratulate Jason Leuschen for his excellent showing at the International Science Fair, and I know he will be representing Saskatchewan well as a youth ambassador in Europe. And it is a fine example, Mr. Speaker, of the talent that Saskatchewan produces. Thank you.

**Some Hon. Members:** Hear, hear!

#### **Moose Jaw Band and Choral Festival, Park Art, and Murals**

**Mr. Hagel:** — Well, Mr. Speaker, three more good reasons to visit Moose Jaw this weekend.

First, of course, it wouldn't be spring if the Moose Jaw Kinsmen International Band and Choral Festival did not occur, which almost happened. But the people of Moose Jaw refused to let it go, and this weekend the 46th festival proudly takes place.

Twenty-three concert bands, fifteen choirs, eight jazz combos, and five jazz bands will entertain us at open-air concerts on Main Street, Saturday afternoon, and at Peacock Auditorium Thursday and Friday evening. These groups are travelling from Montana, Alberta, and from across our province. Every toe in Moose Jaw will be tapping, Mr. Speaker.

And on Saturday, folks can head up to the Hillcrest Sports Centre on Main Street for our Park Art '95, our annual art and crafts festival, featuring a wide variety of high quality, handmade, original crafts and works of art, along with more music and entertainment.

Now finally, Mr. Speaker, for all those who enjoy a pleasant stroll through an historic and attractive urban setting, there's

always a chance to check out our 26 giant outdoor murals depicting events from our history, murals created by artists from Moose Jaw and as far away as Santa Fe, New Mexico.

Only in Moose Jaw, Mr. Speaker, can tourists combine these three first-rate attractions in one weekend, and that's without even discovering a tunnel or bumping into Al Capone. Mr. Speaker, this long weekend, if you're where it's at, you're in Moose Jaw. Thank you.

**Some Hon. Members:** Hear, hear!

#### Echo Valley Conference Centre

**Mr. Carlson:** — Mr. Speaker, it gives me great pleasure today to rise and report on the progress of the beautiful Echo Valley Conference Centre. The Echo Valley Conference Centre is now in its third year of operation and doing very well indeed.

As you know, Mr. Speaker, a few years ago the future of Fort San was in serious doubt. But the local community, aboriginal bands, and the Government of Saskatchewan, worked together in a partnership to reopen Fort San. By doing so, they created jobs and training opportunities. Today this site is thriving, preserving a portion of Saskatchewan's history while providing millions of dollars in economic benefits to the surrounding community.

The centre broke even a full year ahead of its scheduled budget. The former Fort San serves in the off-season as a conference centre for groups who want basic, clean accommodation. During the summer months, it houses the western Canada sea cadet training program.

This summer, approximately 300 western Canadian sea cadets will receive intensive training at the Qu'Appelle Valley site, as Prince Edward saw last summer, and as I attested to a couple of years ago myself when I toured the facility. The summer of 1995 will prove no exception as the sea cadets return once more to our beautiful valley.

Mr. Speaker, I'm happy to welcome the cadets back to the community. With their help, we have maintained an important part of Saskatchewan's heritage. We have provided jobs and economic benefits to local businesses in the surrounding area. And, Mr. Speaker, the future looks bright for the Echo Valley centre. Thank you.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Why is the member on his feet?

**Mr. Upshall:** — With leave, Mr. Speaker, to introduce guests.

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Upshall:** — Mr. Speaker, it's a pleasure to welcome to the

Assembly today, 27 students, grade 6 students, in the west gallery from the Watson Elementary School in Watson. They are accompanied, Mr. Speaker, by their teacher Bernice Gerspacher. Islay Ehlert is chaperoning, along with Shelley Frederick and Jayne Nordick and Dwight Mierke.

Mr. Speaker, I would like, through you to all the members, to ask members to welcome this group here, wish them a pleasant stay in Regina, and a safe trip home.

**Hon. Members:** Hear, hear!

#### ORAL QUESTIONS

##### GRIP Premiums

**Mr. Goohsen:** — Thank you, Mr. Speaker. Today may be known here in the legislature as private members' day, but in our caucus we like to think of this time as member of the public's day. We are pleased again to bring the voices and concerns of ordinary taxpayers into question period.

Since we started the "Mr. Premier, I want to know" program this session, we have received literally thousands of responses, and we hope to give the government the opportunity to respond to all of them.

This question, the first in the series today, Mr. Speaker, comes from Albert Hassen from Bruno. Mr. Premier, I want to know why the final payment for the 1993-94 GRIP (gross revenue insurance program) is being delayed until 1996. Will the farmers be charged interest if there is money owing the government? Are the farmers going to be paid interest if there is money owing to them?

**Hon. Mr. Cunningham:** — Thank you, Mr. Speaker. I'm pleased to answer that question for Albert. The GRIP program, as it was designed — and members opposite well know; they designed it — is based on payments being made when final prices are in. And therefore a crop that's grown in '93 isn't sold until the '93-94 crop year and the final calculations can't be done until '95 when the Wheat Board payments and the national grains bureau's numbers are all in.

What we did as a government . . . had we continued with the GRIP program as it was designed, we would have sent out bills for premiums for '93 overpayment . . . we would have sent out bills for the '94 premium and collected them and waited until January '96 and then paid that money back to the producers. That didn't make much sense to us.

What we decided to do was to not collect those premiums and not charge interest on them. And when the program is finally wound down, any balance still owing to farmers will be paid to them at that time. And we think that made much more sense than collecting the money in and then paying it back.

**Some Hon. Members:** Hear, hear!

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, this question comes from Emeric Greenwald of Scott, Saskatchewan. Mr. Premier, I want to know why we were told that Saskatchewan could not afford GRIP as we knew it, and now we are told that there is a large surplus in its account. This reality makes me wonder why our GRIP premiums went up over the last two or three years and coverages went down, while Alberta and Manitoba, our neighbours, enjoyed high production guarantees. We got undermined by the NDP (New Democratic Party) government again.

**Hon. Mr. Cunningham:** — Mr. Speaker, again I'm pleased to answer that question on the GRIP program. The money, the premiums, in Saskatchewan did not go up. In fact after the changes were made, the net effect will be that producers will pay no premium for '93 and '94 when the thing is all settled up. Producers in Alberta indeed paid 8 and \$9 an acre premium in the last two years and got nothing back from the program if they had an average crop.

We can demonstrate quite clearly that our producers got a lot more out of the market-place. That's why there was a surplus in the GRIP program, because the grain prices went up. That's demonstrated by StatsCanada numbers where in . . .

**The Speaker:** — Order, order, order. Will the members in opposition please come to order. The minister is trying to answer the question. I wish the members would listen to him.

**Hon. Mr. Cunningham:** — Mr. Speaker, our producers in 1994 had a net farm income of \$924 million, which was more than double than what any income that they got during the Tory regime, and even given the government payments that were there at that time. Our producers diversified, our producers made good production decisions and got more money out of the market-place than did producers in Alberta and Manitoba.

And that, I believe, Mr. Speaker, is where producers would like to get their money from, is from the market-place and not from government programs if they can help it.

**Some Hon. Members:** Hear, hear!

#### Health Reform

**Mr. Toth:** — Thank you, Mr. Speaker. This question comes from Ethel Nemeth from Lestock. Mr. Premier, I want to know why you have money for the Big Valley Jamboree, gambling addiction centres, etc., and yet our hospital and health care system is not important any more. You have high-paid NDP supporters running the show, shutting down hospitals, getting rich going to meetings, while the sick are waiting for hospital rooms which are used for storage. Your cut-backs are destroying small communities and causing lay-offs. Start thinking of the people who put you where you are.

**Hon. Mr. Calvert:** — Mr. Speaker, I want to assure the individual who has written that health care is the number one spending priority of this government. We are spending in this

budget year about \$1.5 billion to provide quality health care for the people of Saskatchewan.

The members opposite well know that some of the difficulties that the delivery of health care has experienced in this province, as well as the delivery of other services, is as a direct result of a \$15 billion debt heaped on the people of this province by that political party, Mr. Speaker; now to be compounded, now to be compounded by an offloading of federal government onto the provinces from the federal Liberal government.

Mr. Speaker, in this context, in this very difficult context, this government has taken the appropriate measures, courageous measures, Mr. Speaker, to restructure the delivery of health care so that we are able in Saskatchewan to preserve the fundamental principles of medicare so that we will not see in Saskatchewan the Americanization of our system as being recommended by members opposite.

**Some Hon. Members:** Hear, hear!

#### Gambling Addictions Treatment

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. Perhaps the next minister can be a little bit more accurate in the answer.

And this question comes from Emilie Neufeldt from Saskatoon. And she asks, Mr. Premier, I want to know how the government and the health boards can justify cutting funds for hospitals and universities and then spend a million and a half to build treatment centres for addicts-to-be of gambling casinos, which will prove a curse to our province in the long run. Do you really have the welfare of the people in mind?

**Hon. Mr. Calvert:** — Mr. Speaker, I recall the discussion in this legislature not many days ago when members opposite were lobbying for more resources to be put in addiction treatment programs.

Now, Mr. Speaker, the situation in Saskatchewan is that we saw an expansion of gaming and gambling activities in this province beginning in 1969. It took a phenomenal leap in the 1980s with the bingo halls. Now the members opposite laugh at that. They were in government when we saw the phenomenal growth of the bingo halls.

And we know, Mr. Speaker, with gambling activity, we know with the consumption of liquor, we know there are issues in our society which will create addictions. We're proud, Mr. Speaker, that we have in place, across Canada the most effective and well financed gambling addiction program that you will find in the country, Mr. Speaker. Because in fact we are sensitive to the needs. We are aware of the concerns.

**Some Hon. Members:** Hear, hear!

#### Arts Funding

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker,

our caucus has always tried to make the "Mr. Premier, I want to know" program reflect the views of the people. And we've always been careful to keep our views out of the question. And sometimes that means that we ask questions that we don't agree with.

This question comes from Roslyn Friesen from Saskatoon. Mr. Premier, I want to know if you have any intentions of increasing funding to the fine arts. Being a classically trained professional musician, what the heck do I have to do in order to obtain some of it?

Please respond to Roslyn Friesen.

**Hon. Ms. Carson:** — Thank you, Mr. Speaker, and thank you for that question. Saskatchewan continues to support the arts and cultural community. They are a very important part of our economy and they're a very important part to the well-being of the province.

We are supporting arts and culture. We continue to. Two years ago we increased funding to the Arts Board, and the per capita allowance that we have to arts and culture in Saskatchewan is very much on a par or more than most provinces in Canada.

I think what we have to do is look at the federal government and see how they are committed to funding arts and culture in Canada. And we see there tremendous decreases in their transfer payments to arts and cultural industry.

**Some Hon. Members:** Hear, hear!

#### **Provincial Tax Exemptions**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my questions this afternoon are for the Minister of Finance.

Madam Minister, the truth is starting to come out about the so-called negotiations between you and the FSIN (Federation of Saskatchewan Indian Nations). You aren't talking about . . . or pardon me, you are talking about removing the PST (provincial sales tax) on off-reserve purchases. You're negotiating even further tax breaks for status Indians, like exempting them from collecting gasoline and tobacco tax on reserve. And now some Indian bands say that these negotiations aren't going fast enough, so they're threatening a tax revolt.

Madam Minister, why are you looking at even further tax exemptions for status Indians?

**Hon. Ms. MacKinnon:** — Mr. Speaker, to the member opposite, I welcome that question. The group in question was . . . I had a meeting with the group in question, March 10. Chief Favel was there, Chief Bear was there, and a number of other people were there; to further the information, it was in Saskatoon from 4 to 6.

And the position of the government was at that meeting the same as the position in this legislature. I have said we will not

talk about Indian taxation issues in isolation. They are a package and they have to be discussed as a package. And the way that we would like to proceed is to have broadly based discussions at a high level in order to resolve this issue.

And that's the position that we take in private, and that's the position that we take in public.

**Some Hon. Members:** Hear, hear!

**Mr. Boyd:** — Thank you, Mr. Speaker. What the minister is saying and what the Economic Development minister has said to the people of Saskatchewan is they don't want to talk about these important issues during an election campaign.

Madam Minister, will you explain then what exactly are the nature of the negotiations that you are talking about now? You have been trying to leave the impression that these talks were about ending the PST exemption for status Indians when that doesn't seem to be the case at all.

In fact Chief Favel says that this issue is not on the table. And the report in today's newspaper seems to suggest that any negotiations that are taking place involve even further tax exemptions on items like cigarettes and gasoline.

Madam Minister, why have you tried to mislead Saskatchewan people? Why have you tried to give the impression that you are talking about a PST exemption when clearly this isn't the case?

**Hon. Ms. MacKinnon:** — Mr. Speaker, to the member opposite. We have been absolutely consistent and clear with the Saskatchewan people. We have said that we had extensive negotiation under the previous administration.

We have a new administration at the FSIN. We have had preliminary discussions with them. The meeting I cite is one of those instances.

And we have taken a consistent position. We have to talk about the whole package of tax initiatives. We have to have a well-thought-out, well-planned approach to taxation.

Unlike the members opposite, when they raised this issue in the House the very first day, I said, you haven't thought it through. Within days they were backtracking. They were saying, oops, we didn't mean that everybody was going to pay the E&H (education and health), just off reserve.

Unlike the members opposite, we're going to think and talk our way through this and come out with a reasonable, fair policy.

**Mr. Boyd:** — Thank you, Mr. Speaker. Madam Minister, your government says one day the negotiations are on; the FSIN says they're not on. The people of Saskatchewan would like you to clarify it for them. Saskatchewan people don't want a two-tiered taxation system, one set of tax laws for status Indians and another one for everyone else. Saskatchewan people want a fair taxation system, one that treats everyone equally, fairly, Madam

Minister. That's what our party stands for. But you seem to be going exactly the opposite direction.

Madam Minister, you are already extending further tax exemptions to some Indian bands. The James Smith and Poundmaker bands are allowed to sell cigarettes tax free. Madam Minister, what other exemptions are you negotiating? Why are you negotiating further tax exemptions for status Indians when Saskatchewan people are demanding tax fairness?

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — Mr. Speaker, to the member opposite. Just because he stands there and says something to be true, doesn't make it true. We are not negotiating anything. What we have in place are discussions about the broad range of taxation initiatives.

But what I would challenge the member opposite to think about is the level of taxation here might be different than other provinces; that is in some cases Indians pay less here and some cases they pay more, but not in sum total in terms of value different than in other jurisdictions, including Tory jurisdictions.

Mr. Speaker, we are going to take a thoughtful, reasoned, comprehensive approach to this, and we're going to be proud of the fact that we're going to think our way through it and come up with a fair and reasonable policy.

**Some Hon. Members:** Hear, hear!

### Investigation into Phoenix Advertising

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Speaker, last March the Justice minister announced that an independent prosecutor from Alberta would be reviewing the Saskatchewan decision not to charge Phoenix Advertising for transactions resulting in the Koskie conviction. Almost two months have passed and the government has not provided this House with a report.

My question is to the Minister of Justice: what is the status of this investigation and will the report be provided to the public before an election is called?

**Hon. Mr. Mitchell:** — Mr. Speaker, I want to thank the member for that question. It's timely because just this morning I inquired as to where the matter stood. I am advised by the department that the counsel to which this matter has been referred, who is an Alberta lawyer, had some two or three weeks ago requested a transcript of the trial. That transcript had to be prepared, had to be typed. It's apparently almost done and it's in the process of being typed and then sent to him.

I learned of this this morning. It's not possible for me to estimate when the lawyer will be reporting to us, but as soon as we receive his report it will be made public.

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Minister, the Alberta independent prosecutor must be concerned about the investigation, especially since he has contacted the Justice department for more information, as the minister stated.

My question again to the Minister of Justice: why was the independent prosecutor not given all the available information at the start of the investigation? Why has your department dragged its feet?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Mitchell:** — The answer to that question, Mr. Speaker, is that there was no transcript at the time. There was no transcript that had been requisitioned. After the request came back from Mr. Martin, we had to requisition the transcript, and work has proceeded as quickly as possible with respect to its preparation.

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Mr. Speaker, the Phoenix Advertising Group is the agency of record for the NDP and will play a major role in the upcoming election campaign. Voters want to know the outcome of this investigation before they go to the polls.

Mr. Minister, to halt the concerns of the citizens of Saskatchewan that in fact your government is trying to delay the investigation until after the provincial election, will you guarantee that this report will be made public as soon as it's delivered to the government, even if it comes during the election writ?

**Hon. Mr. Mitchell:** — Of course, Mr. Speaker, I'm not in a position to give any guarantees to the House because my name is not Mr. Martin and I'm not dealing with this matter. We're trying to get the transcript to him as quickly as we can. We did not know that he would need that when the matter was referred to him. He did not know because he didn't request it immediately. But apparently in his consideration he felt the need to look at the transcript, so he requested it.

As I said to the member, the transcript is being prepared as quickly as possible. It will be sent to Mr. Martin. And when his report is received, it will be made public immediately.

**Some Hon. Members:** Hear, hear!

### Firearms Legislation

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, the Minister of Justice is fond of chiding those who come forward with proposals to help law-abiding citizens fight the Liberal gun laws. And the minister has said that entrenching property rights and invoking the notwithstanding clause won't help.

Well, Mr. Speaker, like the armchair quarterback, it's easy to criticize from the sidelines. However it appears that the minister might be coming around. My question is directed to him.

Mr. Minister, you have recently considered joining Alberta in a court challenge over the Liberal gun registry. What would be the basis of this court challenge?

**Hon. Mr. Mitchell:** — The basis of the challenge . . . (inaudible interjection) . . . The basis of the challenge, Mr. Speaker, if the Leader of the Opposition will allow me to put my answer, is that it may well be that the federal government have exceeded their jurisdiction.

Their jurisdiction, after all, is founded upon their power to enact the criminal law. And it may be that they are moving beyond the regulation of the criminal law into the area where property and civil rights are involved, and that of course is a provincial responsibility.

That's the basis for our thinking with respect to the challenge. We haven't yet got legal opinions on it, nor will we until we see what it is, if anything, that parliament finally passes.

**Some Hon. Members:** Hear, hear!

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Well, Mr. Speaker, the basis of our Bills 31 and 48 deal with property rights and the notwithstanding clause they're attached to.

Mr. Minister, I'd like to remind you what you said in the paper on Friday — quotes from the *Leader-Post* and the *Star-Phoenix* specifically, where you said:

The court challenge would focus on the fact that the federal government's only power in this area is to legislate criminal law . . .

But the regulation of the gun control law — specifically, the proposed gun registry — "is getting so detailed and so far removed from criminality they begin to intrude into property and civil rights" . . .

Let me repeat that, what you said: the proposed gun registry is beginning to intrude into property rights.

Well welcome aboard the bandwagon, Mr. Minister. Now that you have embraced our position, how about embracing our legislation as the first step in your court challenge?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Mitchell:** — Mr. Speaker, I have tried over and over in this House and in private conversation to tell that member and some of his colleagues the legal reality, and that is that there is utterly nothing in their Bill that will buttress the position of the province of Saskatchewan one whit, so far as our constitutional position in this matter is concerned — not one whit.

Now that is the assessment of everybody that knows anything about constitutional law. It's as simple as that. And I wish the member would stop asking me that question and think of a new one.

**Some Hon. Members:** Hear, hear!

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Mr. Minister, we have a legal opinion dealing with section 92. 13. of the constitution. You've kept talking about we can't do it, but you have yet to come up with a legal opinion that states that you can't do so.

Mr. Minister, if indeed the federal government is encroaching into property rights and our pieces of legislation, in your opinions, don't fit the Bill, will you bring something forward then that does give Saskatchewan made-in-Saskatchewan protection against the federal Liberal government?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Mitchell:** — The member just misses the point, Mr. Speaker. The question is whether the federal government has or has not the power to make this Bill. If they haven't, it will be because it isn't legislation respecting the criminal law. If it is not legislation respecting criminal law, that's the end of it. Their legislation is no good, and it will fall.

There is nothing that we in Saskatchewan can do or indeed should do in order to buttress our constitutional position because it is as strong right now as it will ever be. The question is the content of Bill C-68 and whether that is indeed a valid exercise of the federal government's power with respect to criminal law or whether it has encroached upon provincial jurisdiction.

That is as clear and simple as I can make it. If the member will just get all the *Hansards* together — all 96 of them — and read those over, he will find in there over and over again a very simple explanation to what is a question that just shouldn't be asked any more.

**Some Hon. Members:** Hear, hear!

### Gaming Expansion

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the gambling minister. Madam Minister, we see one more example of the NDP's helter-skelter gambling policy. Last week you announced that La Loche will be able to remove its five VLTs (video lottery terminal). At the same time you would refuse to honour a similar request from La Ronge. What's the difference, Madam Minister? Why do you have one policy for La Loche and another for La Ronge?

**Hon. Ms. Crofford:** — I'd like to thank the member for his question although I regret the shortness of your memory on these answers. This policy was set in August of last year. There's nothing new or helter-skelter about it. And it was set

within the context of the original purpose for the VLT program, the original purpose being requests made by the hospitality industry to be competitive with other jurisdictions and other industry players.

Now in regards to the North, a number of factors were applied to looking at which communities would have the exemption, as has been done in liquor law. And it was decided at that time that north of the NAD (northern administration district) would be able to exempt themselves, with the exception of Creighton and La Ronge, which fell within the hospitality industry and other issues that were the reasons for that program.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Well, Madam Minister, I'm not sure the people of or the mayor of La Ronge is going to be pleased with your answer. They're asking for the same opportunity that the community of La Loche has asked for. In fact they had their vote, and they have asked you, and you've indicated that you will remove the VLTs.

Why will you not allow La Ronge the same opportunity? Or we do have a selective force, as we see in a letter to the editor in the *Star-Phoenix*. They don't want to force gun control on an unwilling population but are prepared to force VLTs on an unwilling population. When people are asking for an opportunity to vote, Madam Minister, why will you not give them that opportunity, and why will you not make a commitment to honour that plebiscite or that vote?

**Hon. Ms. Crofford:** — Again I will refer for the members . . . reminding the member of this press release in August 5, 1994. It was indicated that northern communities are recognized to have different economic situations than those found in northern tourist and border communities. And therein lies your answer.

**Some Hon. Members:** Hear, hear!

## INTRODUCTION OF BILLS

### Bill No. 72 — An Act to amend The Health Districts Act (No. 2)

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I move first reading of a Bill, An Act to amend The Health Districts Act.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be read a second time.

## PRIVATE MEMBERS' PUBLIC BILLS AND ORDERS

### SECOND READINGS

### Bill No. 72 — An Act to amend The Health Districts Act (No. 2)

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I rise

to move second reading of The Health Districts Amendment Act. It is truly unfortunate that the changes which have been imposed upon our health care system have been made without any comprehensive plan, without measurability of their effectiveness, and with no concise system for accounting for the savings which may or may not be resulting from the changes.

Across the province, we are hearing from people who have no level of comfort about the way health care is being managed. Whether or not it was the government's intention to convince people that health reform was necessary to save money, that is in large part what the expectation was amongst communities at the outset of this exercise.

People have come to accept two things, Mr. Speaker. First, that health care was costing more, and it was necessary to search for some efficiencies within the system. And second and most importantly, people had an expectation that reform would mean health care of equal or better quality than they have come to access in the past.

If that was not the impression the government intended to leave, then I think it had an obligation to set the record straight at the outset. After three years, more than three years in fact of helter-skelter changes, hospital closures with no back-up plans in place, political appointments to district boards, devolution of staff from the Department of Health, there is a tangled trail of confusing transactions that have even the Provincial Auditor scratching his head over the accounting methods being employed under NDP health reform.

I remind the Assembly that it was the Liberals who first brought to light the serious situations in many of the health districts who are now reported to be running deficits. Continually we are asked, as I know the government has been, what kind of plan did the NDP have if they could not even accurately project the budgets of the health care districts in the very first year of their reform agenda? And if they could not even plan for the first year, how in the world can we trust that there will be any long-term benefit to doing this financially and in terms of quality and accessibility of care?

However inconsistent the minister's explanations have been — one day he knows about the deficits, the next day he isn't so sure, the next day it's another story — however inconsistent the explanations have been, there is one consistent thread to all of this. Consistently, Mr. Speaker, the minister has refused to take responsibility for the lack of accountability in this system. The decisions continue to be made at the top, but the blame for budget overruns and inconsistencies always lands squarely at the feet of the districts.

Mr. Speaker, as long as the district boards are the appointees of this NDP government, then it is the government and its minister who must be prepared to accept the burdens of both responsibility and accountability for the fiscal realities of health care in Saskatchewan.

This is not a time for blaming others, particularly blaming local

communities who have been caught up in this chaotic change. This is a time for the minister to admit that Simard's wellness model has gone amok; to comply with the request of the Provincial Auditor for greater accountability. The legislation before the Assembly today reflects fundamental changes needed to improve the accountability of the financial status of the various district health boards.

This Bill proposes two key changes to the existing legislation. Currently the Minister of Health has to be notified if a district health board is projecting a deficit, and the minister must then approve any budgeted deficits. This allows the minister to be privy to information that the public and the Assembly do not have. The current legislation has no requirement for the Minister of Health to advise this Assembly of any projected district health board operating deficits.

This Liberal Bill would require the minister to advise this Assembly of any proposed deficits approved or endorsed by his department. Now recent events have revealed that there were \$30 million in deficits incurred by district health boards across the province in 1993-94.

This information was almost two years old before it was released, and the minister had this information since June of 1994. Currently this Assembly has no idea how many boards ran deficits in 1994-95 or which boards are projecting deficits in 1995-96. All of this information, Mr. Speaker, is in the hands of one individual — the Minister of Health — yet it is not available for other MLAs (Member of the Legislative Assembly) or the general public.

The second amendment to The Health Districts Act would also increase openness and accountability of the district health boards one step further. This Assembly allocated \$677 million in 1993-94 to district boards, yet it relies on the Department of Health to relay second-hand information to the members of this Assembly.

The Provincial Auditor shares this concern, and I quote from his spring report, Mr. Speaker:

The Assembly will continue to be responsible for raising taxes and allocating money for spending on health care. However, the Assembly will not be receiving reports from the organizations, i.e., the District Health Boards, delivering the services and spending the money.

It is important to the taxpayers to understand what the financial status of our health care system is from one year to the next, Mr. Speaker. But it is equally important that the districts themselves have a sense of measurement and accountability from one district to the next.

There are a number of hospitals who are being told that they are in a deficit position despite the fact that they have had no financial problems in the past. When local administrators or members of the community ask for explanations, the

information they receive is incomplete and confusing.

How can people be expected to place their trust in a system which cannot even answer the basic questions of the people who support it and rely on it for health care? The auditor recommends, and I quote, Mr. Speaker:

That the Department of Health should provide the Legislative Assembly with a summary of the financial plans and actual results of the ... (district health boards).

The Liberals agree that there must be one place at which the health care buck has to stop. If the government is going to impose its so-called plan for health care on communities, then it is the government, and not the communities, which should be held accountable if the plan fails in any aspect. Until the plan is proven, until the system has matured to the point where there is built-in accountability, then the government cannot simply drop the reins and let the horse run off.

The Health Districts Amendment Act being proposed would provide the needed changes to existing legislation to implement the Provincial Auditor's recommendations. It would require the minister to table before the legislature each report, financial statement, and schedule of investment received from the district health boards 90 days after the end of the fiscal year.

Mr. Speaker, this is a question of accountability, and the taxpayers of this province deserve open and accountable government. This Act is an important and necessary step toward a more responsible system of government. Before any further changes are made to the system of health care in Saskatchewan, we must have an accounting system in place which will assure all taxpayers that someone will take ultimate responsibility for the financial stability of our health care system in our province.

Mr. Speaker, I move second reading of An Act respecting amendments of The Health Districts Act.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I appreciate the opportunity to rise today. I want to indicate to the members of the Assembly and to you, sir, that we want to have a chance to look at the Bill, study it, and therefore I beg leave to adjourn debate.

Debate adjourned.

## INTRODUCTION OF BILLS

### **Bill No. 73 — An Act respecting Elementary, Secondary and Post-secondary Education in Saskatchewan/Loi concernant l'enseignement élémentaire, secondaire et postsecondaire en Saskatchewan**

**Hon. Mr. Mitchell:** — Mr. Speaker, I move that a Bill respecting Elementary, Secondary and Post-secondary Education in Saskatchewan be now introduced and read the first

time.

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

**Bill No. 74 — An Act respecting Non-profit Corporations/Loi relative à la loi concernant les sociétés sans but lucratif**

**Hon. Mr. Mitchell:** — Mr. Speaker, I move that a Bill respecting Non-profit Corporations be now introduced and read the first time.

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

**Bill No. 75 — An Act to amend The Provincial Court Act**

**Hon. Mr. Mitchell:** — Mr. Speaker, I move that a Bill to amend The Provincial Court Act be now introduced and read the first time.

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

**ORDERS OF THE DAY**

**Hon. Mr. Lingenfelter:** — Mr. Speaker, by leave of the Assembly, I would move that we would refer the Assembly to private Bill No. 2, second reading.

Leave granted.

**PRIVATE MEMBERS' PUBLIC BILLS AND ORDERS**

**SECOND READINGS**

**Bill No. 2 — An Act to amend The Legislative Assembly and Executive Council Act (Legislative Utilities Review Committee/"LURC")**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to move second reading of an Act to amend The Legislative Assembly and Executive Council Act (Legislative Utilities Review Committee).

This is the second time that this Bill has been dealt with in this Assembly. The official opposition introduced a similar Bill during last year's session. Unfortunately the government used its majority to stifle debate on the Bill and as a result it died on the order paper.

Mr. Speaker, in a nutshell, this Bill allows for the establishment of a committee made up of MLAs to serve as a watchdog over utility rate increases. The committee would be cost-effective and would give private members of the Legislative Assembly additional responsibility.

The main purpose of the committee is to prevent the

government from arbitrarily increasing utility rates. The Saskatchewan public want, and desperately need a body to regulate utility rate increases.

And if you just look back, Mr. Speaker, at the number of increases that this province has had to endure under an NDP administration, it becomes very apparent to the people of Saskatchewan why there is such a need for something of this nature. Just look at the amount of money that the Crown corporations have taken from the people of Saskatchewan in direct taxation type of methods.

SaskPower in 1991 had a profit level of \$118 million; in 1992 it had a profit level of \$107 million; and in 1993, \$81 million. Just that corporation alone, Mr. Speaker, gives reason why the need for a utility review committee of this nature.

Sask Energy — it goes on and on, Mr. Speaker — SaskEnergy in '91 had a profit level of \$27.4 million; '92 had a profit level of \$51.5 million; '93 had a profit of \$68.7 million.

SaskTel had a profit level in '91, of \$51 million; '92, of \$79.9 million; and 1993 had a profit level of \$85.5 million. SGI (Saskatchewan Government Insurance) in 1991 had a profit level of \$15.5 million; '92, of \$15.2 million; and 1993 had a profit level of \$22.4 million.

All of these, Mr. Speaker, at the same time as we've seen rate increase after rate increase. The only one, SaskEnergy, had a modest decrease and that was after a 40 per cent drop in well-head prices for natural gas, Mr. Speaker. And this government still continues to hoist these kinds of rates on the people of this province.

And that's why there's such a need for a committee of this nature to bring about a utility review committee made up of opposition and government MLAs, putting them to work, Mr. Speaker, instead of the back-bench MLAs in the government caucus sitting there doing nothing all day long, Mr. Speaker.

It's time to put those people to work, rather than when the Government House Leader calls them to vote, they stand in their place . . . about the only thing they do, Mr. Speaker, is say yes or no to a government motion or a government Bill. Beyond that their responsibilities are absolutely nil in this House.

And it's time that we put those members back to work. It's time that the people of this province had their members vote the wishes of their constituents on these very important issues. That's what they are sent down here by their constituency for. That's the reason that the people of Saskatchewan have shown some degree of confidence in the members opposite to bring them to this Assembly and vote on measures that are important to them. And that's why we are suggesting an all-party committee made up of government back-bench MLAs, opposition MLAs, and third party MLAs to decide on these, with the opportunity to roll back price increases, roll back utility rate increases, Mr. Speaker.

That's why we say that the utility rate review committee would be cost-effective, because those MLAs are already being paid to sit around this House and do nothing on a day-by-day basis.

And you can go through them, Mr. Speaker. Some of these MLAs, you haven't heard one peep out of them hardly this session. I don't think the people of Saskatchewan are looking to pay these MLAs the salaries that they get and the compensation in a number of areas, and the pensions and everything else, just to sit in their place all day long and do absolutely nothing for the people of Saskatchewan. They're not paying them to do that, Mr. Speaker.

They're asking them to come down here and do something constructive for the people of this province, rather than stand and make a member's statement and somehow or another that's their contribution to Saskatchewan.

That isn't any kind of a contribution. Real and effective contribution would be to take part in the decision-making process in this government, not to sit back and just do as the House Leader and the party whip suggests they do. That isn't effective. We think that there should be a mechanism, Mr. Speaker, that these people are made a part of a utility review committee. And this committee, I think, could be very effective, very effective, because the public and their constituents would have some control over what they are doing in this legislature.

The people want this, I believe. As we travel the province, Mr. Speaker, it is indeed a huge issue — utility rates. You talk to the business community or the farming community out there, Mr. Speaker, and they see their rates just going up, up, up.

It used to be in business — and I'm involved in business and involved in agriculture as well — utility costs used to be a fairly small part of the overall cost of doing business. Now it's become an extremely important component of the cost overhead that a business person or a farm operation has in Saskatchewan today — an extremely large part of the cost of doing business.

And on top of that it's almost become like another mortgage payment for households across this province. At one point, it used to be, as I say, just an incidental expense for the average home-owner in this province. Now it's become like another mortgage payment on the backs of the taxpayers of this province.

And that's why people are fed up with this government's policy of constant tax and utility rate hikes. It's time for the Crown corporations to be opened up to public scrutiny, Mr. Speaker — 40 per cent of the budget, the overall budget of this province, is in utility, or pardon me, in Crown corporations. And the public don't even have one iota of say in the running of those corporations, Mr. Speaker, nor does the legislature have opportunity to review in this legislature the expenditures of those Crown corporations.

As MLAs we do not have an opportunity to question the government on reasons behind rate increases before they're

imposed. And that's what we are calling for, Mr. Speaker, so that the people of this province and the MLAs have opportunity to have a say before the price increases, before the tax increases, the utility rate increases.

Until recently the NDP government felt its Executive Council was better equipped to determine Saskatchewan's tax load than a group of MLAs representing their constituents. However the looming provincial election seems to have changed the government's mind, and now they are proposing to implement a 45-day notice on any rate increase.

So what they're going to say to the people of Saskatchewan is, we're going to increase your rates but it's only going to be 45 days from now. What kind of a sham is that, Mr. Speaker? There's nothing in this that will help the people of Saskatchewan. All they're saying is we're going to increase your taxation, but we're going to give you a short period to get your house in order so that you'll be able to pay for the cost increases that we're about to hoist on the people of Saskatchewan.

I don't think that is effective at all. All it is is just giving them some notice. It's like when the minister stands in his place and says, effective tomorrow we're going to have an increase in SaskPower rates. Instead, now the minister will stand up and say, effective 45 days from now we're going to have an increase in utility rates.

What possible input do the people of Saskatchewan have? What possible input do the MLAs of this province have in that decision making? Absolutely none. And that's why, Mr. Speaker, we believe that a Bill of this nature is important. We believe it will put the back-bench MLAs to work in this province.

And that's why, Mr. Speaker, I challenge the government to take this a step further. Support our legislation and establish a committee to consider the value of rate increases, rather than leave this duty to those who sit at the cabinet table, Mr. Speaker.

Mr. Speaker, that's why there is such an important need for a Bill of this nature. That's why we're proposing it, and that's why we think all members of this legislature should vote in favour.

I move second reading of this Bill, Mr. Speaker.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I want to have a close look at the Bill, scrutinize it and consult with the members of our caucus. Therefore I would beg leave to adjourn debate.

Debate adjourned.

(1445)

**Hon. Mr. Lingenfelter:** — Mr. Speaker, by leave, I move that the Assembly move to private members' Bill No. 11, for second reading.

Leave granted.

**Bill No. 11 — An Act respecting the Protection of  
Saskatchewan Taxpayers**

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to rise today to make a few remarks about Bill No. 11, the very first — the very first balanced budget legislation ever introduced into the Saskatchewan legislature.

Mr. Speaker, people have been demanding a legislative guarantee that governments will not run deficits, and this Bill is exactly that, Mr. Speaker. Bill No. 11 would make it illegal for the provincial government to run a deficit or raise taxes without first obtaining the approval of Saskatchewan people in a province-wide referendum.

Such a measure has proven to be very successful in jurisdictions all across North America, Mr. Speaker. We believe that there has to be more than just the part of it saying that the budget of this province should be balanced. That's important, and as a fiscal Conservative I support balanced budgets, Mr. Speaker, but on the other hand, you have to have strong controls on a government like this one opposite, who just wants to, in order to balance their budget, jack up taxes in every area.

That's how they've accomplished it in Saskatchewan. Other jurisdictions have done it differently, Mr. Speaker. In Manitoba they have a balanced budget. There has not been a major tax increase in Manitoba in seven years, Mr. Speaker.

In Alberta there's a balanced budget and, Mr. Speaker, they have done it differently than the government of Saskatchewan has done it. They are about to balance their budget in Alberta, Mr. Speaker, and they have done it by reducing the level of government spending in Alberta. They haven't done it by tax increases as you people opposite have done.

It fails for me to understand, Mr. Speaker, why the government simply just does not want to look at reducing government expenditures rather than increasing the level of taxation on the people of this province, Mr. Speaker. Bill No. 11 just doesn't urge a government to balance a budget over four years like the NDP's shell of a balanced budget legislation does; it forces a government to balance the budget while being accountable in doing so.

Further, what's the sense of having balanced budget legislation when there is no meat to it, no penalties for those making the decisions, no voice from the people, yet this is exactly what the members opposite have introduced in their balanced budget legislation.

It's nothing more than a sham, Mr. Speaker, to try and convince the people of this province that they're interested in balanced budget legislation. They bring in a shell game type of thing, Mr. Speaker, that says we will balance the budget.

We want legislative guarantees and I think the people of this

province want legislative guarantees on balanced budgets, but as well on tax increases, and they want penalties on the politicians themselves. They want a penalty on the politicians if they do not come forward and do not balance the budget as they have said.

In our legislation there is penalties. There's penalties on the Premier, the cabinet, back-bench MLAs, because they take part in the decision making in some respects, Mr. Speaker.

They want a balanced budget, but they also want a fine. Our legislation calls for a fine on the cabinet and the Premier and all members of the government if they do not bring in a balanced budget. They'd lose 25 per cent of their salary, and I think that that'd be a pretty strong incentive for them to adhere to a balanced budget.

The NDP had to essentially, Mr. Speaker, they had to slap together some kind of legislation themselves in order to respond to Bill No. 11, and slap together is exactly what they did. The only reason the government brought forward a so-called balanced budget Bill, Mr. Speaker, is because they wanted to appear that they were addressing the wishes of the people of this province.

Yet people are smarter than the members of government think they are. After taking a look at the government's pretend balanced budget Bill, the taxpayers association stated, and I quote: this legislation is obviously a very weak political solution to a serious fiscal issue. And it doesn't measure up to the true principles of taxpayer protection. The proposed legislation gives no genuine guarantee that politicians will be forced to live within taxpayers' means.

Bill No. 11, Mr. Speaker, does just exactly the opposite. It forces a government to live within the taxpayers means; it provides more accountability, more input from people, and force a balanced budget on an annual basis.

Further, Bill No. 11 requires the provincial budget account for all government revenues and expenditures, including those of Crown corporations. And we think that that's an extremely important measure because 40 per cent of the spending of government is outside of the General Revenue Fund of government, Mr. Speaker — 40 per cent of it is in Crown corporations spending, and therefore should be part of the overall make-up of the budget of this province and to the scrutiny of all taxpayers. It requires the Minister of Finance to table summary financial statements quarterly to ensure that the budget targets are being met throughout the year.

In addition, it requires that any budget surpluses be applied to reduce the accumulated debt and any surpluses achieved after the debt is eliminated must be used to reduce taxes. And if a budget . . . or pardon me, and if a government failed to balance the budget, the Premier, cabinet, and every member of government caucus would have their salary reduced by 25 per cent.

Now, Mr. Speaker, that's a real balanced budget piece of legislation. The NDP's balanced budget legislation doesn't require that a budget be balanced every year, and if a government fails to meet its target, there are no penalties for the politicians who have made those decisions.

We think that that is a pretty weak piece of legislation, a pretty spineless piece of legislation that the government is wanting to promote to the people of Saskatchewan saying that they really believe in this type of measure. If the NDP government were serious about passing real balanced budget legislation in the province of Saskatchewan, they would ditch their sorry effort at this piece of legislation and support Bill No. 11, Mr. Speaker.

Mr. Speaker, I move second reading of this piece of legislation, Bill No. 11.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I don't want to here get into a debate disagreeing with the member opposite, but obviously our government is solidly committed to debt legislation and balanced budget legislation. We are the government that has led the province to its first balanced budget in over a decade. And therefore I want to review the Bill the member is offering up today and I would beg leave therefore to adjourn the debate.

Debate adjourned.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, by leave, I would move that the Assembly move to private Bill No. 15 for second reading.

**Bill No. 15 — An Act to provide for the Enforcement of the Code of Ethical Conduct for Members of the Saskatchewan Legislative Assembly (Anti-corruption)**

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I am very pleased indeed to have this opportunity to speak in second reading on the Liberal proposal to enforce the code of ethical conduct, adopted by this very Assembly on June 14, 1993, through this anti-corruption legislation.

Almost four years ago, when I took my place in this Assembly, I had high hopes that the government would move swiftly and decisively to enact a code of conduct that would put an end to the public perception that members of this Assembly were acting outside of the rules and regulations that govern the behaviour of ordinary citizens in similar situations.

I was anxious to see the government take action immediately, because as we all know, there's deep cynicism across the province and a pervasive suspicion that a great deal of disreputable behaviour and action has been happening under the cloak of secrecy. And, Mr. Speaker, those suspicions on the part of the public have proven legitimate and well-founded in several circumstances.

We all recognize that criminal charges are indeed matters for the court and for the justice system. There certainly are laws in

place for all of society that can be applied to the misconduct of even elected members. But the conduct and actions of many who should be models for the people have been borderline — far outside the scope of ethical behaviour, even verging on the criminal. It is in the interests of clearing up borderline situations, of making the grey areas more black and more white, that I rise to speak today.

Mr. Speaker, perhaps some of the rules governing expenditures by members in this Assembly have not been made clear. But I must say for the record that I believe that they have been left in an ambiguous state for far, far too long. After all, in the past 20-odd years there have been hundreds of people, hundreds of MLAs and staff, who have spent money in this ambiguous system. And it appears obvious to anyone that these rules, because of their ambiguity, can be broken, not that most difficulty, by the very people who created them. And no attempts have really been made over the last 20 years to change that ambiguity. The defence which has become *de rigueur* in the courts today is that the rules were not clear. We thought this was acceptable. End quote.

Ignorance of the law would be no defence for the public, and I know that the public finds it extremely distasteful and disdainful to hear it from their members of the Legislative Assembly. After all, how can MLAs who made the rules now claim ignorance of the rules as their defence for breaking them?

The evidence in the current things before the courts is substantial. Past and present members of this Assembly have easily found ways to benefit from expenditures of allowances. Caucus grants have been misspent with no accounting. The process of changing those accounting processes have been painfully slow and woefully inadequate. Moreover when members have been charged as the result of criminal prosecutions, tried in the courts and found guilty, this very Assembly has taken no direct action to sanction those members. The public is left in a state of bewilderment at how elected representatives charged, tried, and convicted of defrauding the public of funds entrusted to their use in public service, how these individuals can simply show up for work the next day, collect a pay cheque from the very taxpayers they have defrauded. In no other workplace can that happen.

The public certainly is not satisfied with the leadership that has been shown by this government in putting this workplace on par with the rules that apply to ordinary citizens in the province of Saskatchewan.

The Liberal Bill will do just that, Mr. Speaker, and I urge all members of this Assembly to lend their support to this important piece of legislation in the interests of demonstrating to the public that we are very serious, that all of us are serious, about cleaning up the mess that has been created here over some time.

The effect of the Liberal Bill will be to provide a mechanism through which the nine principles governing the conduct of members can be enforced. This mechanism would be the

formation of an ethics committee completely independent of the Legislative Assembly that would be empowered to investigate alleged breaches of the code and punish the offending member in a number of ways.

This legislation would also require the ethics committee to automatically review the case of a member who has been convicted of a criminal offence in a court of law for further sanctioning by this Assembly, whether that sanctioning be vacating the member's seat, perhaps suspending the member from a sitting, or seizing a portion of the member's pension.

I want to quote from the proceedings of the House on June 14, 1993 when the Associate Minister of Finance spoke to the government motion recommending adoption of the code of ethical conduct. He said, and I quote:

Recognizing that all the members' actions will be under public scrutiny, elected officials must act different than private citizens. Members of the Assembly must first and foremost ensure that public interest takes precedence. Our first step in this direction is for politicians to demonstrate their collective commitment to high ethical standards.

I believe that this Act is the second important step in demonstrating our commitment to integrity, to honesty, and to accountability, that the people of this province demand from us and deserve from us.

Mr. Speaker, in closing let me say that we, as elected members of this Assembly, have not only the obligation, we have the duty, to ensure that the behaviour of public officials is of the highest moral, ethical, and professional conduct. In supporting this legislation, all members will reaffirm their commitment to attaining and maintaining those standards in this Assembly.

Mr. Speaker, I move second reading of An Act to provide for the Enforcement of the Code of Ethical Conduct for Members of the Saskatchewan Legislative Assembly.

(1500)

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I won't take up time of the Assembly at this point in debating the pros and cons of the Bill that has been proposed here by the Leader of the Liberal Party, only to say that we will be reviewing it with some interest.

This issue, I know, is being dealt with by the Board of Internal Economy at the present time. I believe she's a member of that committee, and therefore I think it would also be appropriate not only to bring the ideas here to the Assembly, but put them forward in the committee which you chair, Mr. Speaker. And I'm sure that we will bring some resolve to this important matter.

Therefore I would beg leave to adjourn debate.

Debate adjourned.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, by leave and by agreement of members of the Assembly, I would move that this House now move to government business, Committee of the Whole, on the Department of Finance.

Leave granted.

## COMMITTEE OF FINANCE

### General Revenue Fund

#### Finance

#### Vote 18

**The Chair:** — The last date that this department of estimates were before the committee was on March 27, so I will ask the Minister of Finance to reintroduce her officials to members of the committee.

**Hon. Ms. MacKinnon:** — Thank you very much, Mr. Chairman. On my immediate left I have Bill Jones, the deputy minister of Finance; next to Bill there is Gerry Kraus, the Provincial Comptroller; on my right is Len Rog, the assistant deputy minister of the revenue division; seated right behind me is Craig Dotson, associate deputy minister, budget analysis division; and next to Craig is Bill Van Sickle, executive director, administration division.

### Item 1

**Mr. Toth:** — Thank you, Mr. Chairman. Mr. Chairman, I don't think we're in a position to agree to item 1 just yet. I think there are a number of questions that need to be raised with the minister.

And I'm pleased to see the Minister of Finance with us today. I think it's important that we have a chance to sit down with the actual minister versus the associate minister. I think we've addressed some of the questions before through the associate minister. So I thank the minister for being here, taking the time out of her schedule; and for her officials for having taken the time to come and deliberate financial issues today.

Madam Minister, over the past little while and about two weeks ago, the Provincial Auditor brought to our attention an issue that we've continually raised in this Assembly, and raised with you and raised with your department. The fact that on one hand we seem to have selective remembrances as to what we want to talk about in Finance, and on the other hand maybe talk about the total outlook of the finances of the province of Saskatchewan.

And I refer to the fact that the Provincial Auditor has continually reminded us over the past number of years that it would be more appropriate to address financial spending and activity in this province based on 100 per cent accountability for the whole area of government spending versus just the 60 per cent that normally is raised by your office, by yourself,

certainly by the Premier and by members of the front benches of your government, and the fact that any type of an increase that taxpayers would be facing is, while you would say it isn't an increase . . .

And that's one of the reasons my colleague, the Leader of the Opposition, raised and we've introduced a Bill calling for a legislative utilities review commission that would be conducted and administered by MLAs in this Assembly.

The fact is people across this province continue to view utility rate increases as just a direct tax versus . . . or an indirect tax versus a direct tax. And while those utility rates go up, you don't, as a Finance minister, have to stand in this Assembly and acknowledge the income that comes in or the revenue that Crown corporations generate, and indeed the revenue that is passed on to your department and to the General Revenue Fund from Crown corporations, which assists you in balancing the books at the end of the day.

So I think, Madam Minister, it's important for us to get into an overall discussion as to the finances of this province; how Crown corporations . . . the part and the role they play, even the effect of unfunded pension liabilities and the role they will have, both today and into the future, in relation to the General Revenue Fund, which as you've indicated, will see a balance this year, or actually a surplus, if I'm not mistaken — is going to show a surplus.

And yet part of that surplus can be reflected back in the loss of revenue that producers have in the province of Saskatchewan regarding the changes to the GRIP program. And even next year that's going to be reflected in the revenue that may come back to the government's hands in overpayments that have been made.

So while the Minister of Agriculture today talked about . . . in response to a question that came from a constituent or from a resident of the province of Saskatchewan regarding the GRIP program, we see the government, the Minister of Agriculture, has told us that no, the reason the wind-down of GRIP comes in 1996 is because it takes us that long to review all the estimates and to review the whole program and indeed wind it down properly.

The other effect it has, it certainly generates another source of revenue just because of the overpayments that may be coming in.

I'm wondering, Madam Minister, how does the burden of utility rate increases split between individuals and business? Like taxes, does it go right down the middle?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, of course the member opposite knows when Crown Investments Corporation is here he can ask that particular question. What we're talking about now is the budget for the Department of Finance for the year 1995.

I would like to address the broader question raised by the member opposite. And the member makes comments about the Provincial Auditor, some allusions to the Gass Commission. And I would like to quote some of the comments made by such individuals. For example, Don Gass, the person who chaired the Gass Commission, said, the important thing is that the government, the NDP, has done what it set out to do.

Also Brian Taylor, president of the Institute of Chartered Accountants in Saskatchewan, said they, the members of the government, have made decisions and stuck by them.

What the auditor says in his most recent report is that we provide amongst the best financial statements in all of Canada. They're comprehensive in terms of reporting not only the activities of the government but also the activities of the Crown corporations.

What he's talking about is how, when he says he would like to see something changed, he talks about the way we budget. And I would say the way the Government of Saskatchewan budgets is the way virtually every other government, provincial government, in Canada budgets.

And I would say as well that if the members opposite pass our balanced budget legislation, what you will see there is a more comprehensive approach. The debt reduction plan encompassed in the balanced budget legislation covers not just the government operations but the Crown corporations, to prevent the practices of the 1980s whereby huge dividends were taken from the Crowns, stripping the Crowns and forcing them to borrow more and to rack up more debt.

I guess I would conclude by saying that we believe this is an appropriate way to budget. The Crown corporations, many of them, like SaskTel, operate in a competitive environment. To force them to disclose fully details of their operations, when their competition is not forced to do so, would put them at a significant advantage.

And in closing I would say that obviously utility increases are not taxes. When Bell Canada in Ontario raises phone rates, the people of Ontario don't say, I've had a tax increase. When Alberta Power, which is a private power company, raises power rates, the people of Alberta don't say, I've had a tax increase.

The government has recently announced a new process to allow more public scrutiny and input into rate increases. And I'm sure when CIC (Crown Investments Corporation of Saskatchewan) is here, you may want to discuss that process.

**Mr. Toth:** — Well I thank you, Madam Minister. It's unfortunate that CIC doesn't get the opportunity of coming before this Legislative Assembly. And I don't think, Madam Minister, you can hide behind that fact that CIC doesn't have access and that this opposition does not have access to Crown Investments Corporation on the floor of the Legislative Assembly to address these issues.

And we come back to that other matter, Madam Minister. While you would suggest that we address these issues through CIC, CIC plays a very important role in revenue generation in the province of Saskatchewan. You talk about Bell Canada. Bell Canada, I understand, goes before a public utilities review committee in Ontario. But on top of it, it is not a Crown corporation. So they don't pay a dividend. They pay taxes to the province of Ontario. Ontario derives revenue via taxation, but they do not derive revenue, as you do, through dividends that would come from the Crowns.

And again I refer to some of the information that was brought out this afternoon in the debate regarding the Crown corporations and the reasoning for a legislative utilities review committee — the fact that members would indeed have access to and the ability to debate on the floor of this Assembly any rate increases which down the road generate into tax revenue or revenue for the province of Saskatchewan through dividends.

And, Madam Minister, I think we can all acknowledge that yes, this year you didn't have to pull on dividends, but if required, it's just a matter of the Executive Council going to CIC and requesting that we want a dividend pay-out of maybe 40 or 50 per cent into the General Revenue Fund. And that then can be utilized to bring forward a balanced budget, or if you want to show a negative budget . . .

And while you indicate that you'd like to see the members . . . or the opposition members allow this budget to pass, no doubt, Madam Minister, at the end of the day this budget will be allowed to pass, because I don't think we want to leave this budget open-ended.

Because following the next provincial election, who's to say that we can come in after you've gone to the polls and after a government has a majority, come in and say, oh but there was an overlook here and oh but the farming economy has gone to pot and oh but the oil resource revenue isn't there and unfortunately that balance that was there prior to the election has disappeared on us.

(1515)

Madam Minister, I think it's important that this budget be passed so that you aren't allowed to cook the books as we've seen over the past few years, how you can manipulate. And that's one of the reasons we continue to talk about the fact that utility rates and Crown corporations has to be addressed in the overall picture.

As the auditor indicated to us, when you look at expenditures, when you look at the debt in the province of Saskatchewan, it's not just the general revenue or the Crowns or the unfunded pension plan; that is the large picture. But it's like you've got a farming operation with three different bins, and if you transfer from one to the other, it doesn't change the debt in the province of Saskatchewan.

So, Madam Minister, I'm sure that you would have information

in front of you that indicates how the burden of utility rate increases is split between individuals and businesses, and I'm asking why you are afraid to give us that information.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I would remind the member of is that we're talking about the 1995 budget. It's the Department of Finance here.

We have lots of information for you on taxation measures that are being introduced in this fiscal year; some of the projections upon which those taxation measures are introduced. We do not have detailed information on the other departments. And when these departments are here, I know that those people will be most interested in providing you with that information.

But there is another quote that I think is worth bringing to the attention of the members opposite, and it's about the way the government budgets. And you're saying the government should balance across government, including the Crown corporations.

I would note the comments of Donald Gass, who says that although he understands the position being taken by the auditor, he doesn't agree with it. He says:

"I'm not sure that's the most effective way to budget for the organization. I'm not sure it really works. Summary statements are the only way to get the whole picture in financial reporting," said Gass, "but there are several methods one can use when budgeting."

And that's from *The Bottom Line*, and I will table that into the records.

**Mr. Toth:** — Well, Madam Minister, I find it interesting. I find it interesting, Madam Minister, that it wasn't long ago we were debating a Bill before this Assembly — Bill No. 58, I believe — and your comments at that time were that those questions are too specific. Bring them up when we're here in estimates. Well here we are — estimates, Committee of Finance. We're here.

Now you don't want to raise them here. So where do we go? Another stall tactic, just putting off trying to answer a question, trying to answer the questions of individuals across this province who have seen utility rate increase, utility after utility rate increase, when every one of the corporations are making large dollars. And why would they be making large dollars for as far as net revenue and having surpluses? Why wouldn't you just leave those alone? Why not give the taxpayer a break?

And when it comes to Mr. Gass, his comments, back in 1991, when you were trying to suggest that the books weren't open, that the books were closed, people didn't have access — his comments on an open line at that time were this, that the books were indeed open. The books were available to anyone who wanted to take the time to go and review the books.

While you would suggest that they weren't, while you were suggesting we had to get rid of waste and mismanagement, your

own commission at the end of the day acknowledged that certainly the books were open. And indeed on many occasions, you had to go and find whether Mr. Stevenson agreed with Mr. Gass so that you'd have something to contradict what Mr. Gass said because your commission actually indicated that there was that openness.

So, Madam Minister, what type of revenue do utility rate increases generate for the General Revenue Fund?

**Hon. Ms. MacKinnon:** — Mr. Chairman, the member opposite knows that what I'm saying is that there is an appropriate place to ask the detailed questions about utility rates, and that's when the Crown Investments Corporation is here.

With respect to the dividend, the dividend is in the budget, and it's . . . I can get the deputy minister to tell you the line that it's on, the dividend. It's on page 92, transfers from Crown entities, \$50 million.

With respect to Mr. Gass, he said that Saskatchewan, when we took office in 1991, had amongst the weakest financial statements in all of Canada. And a large part of his report was ways in which the government could change the way we keep the books and report to the people of the province in order to make the government more accountable.

Just as one example, it was possible before 1991 to create a Crown corporation, to have the Crown corporation lose huge amounts of money — as occurred — and to not even have the public, through the legislature, aware that that Crown corporation existed.

So certainly in terms of making the government open and accountable, we have come light years in the last three and a half years. And if the member wishes, I can list some of the changes that we made.

**Mr. Toth:** — Well, Madam Minister, you're obviously not aware of how this House operates. The CIC does not come before this Legislative Assembly, before this body in this particular room. CIC does meet with Crown Corporations. The unfortunate part with committees is the review is usually a year or two behind, has nothing to do with up-to-date information. So maybe we need to correct that.

Seeing as you're not going to give us any questions regarding the utility rate increases and how they affect your budget, I want to ask a question, and that is a question here that . . . our caucus has indeed sent over a list of global questions, and we've sent them over quite awhile ago. And to date, I'm informed that the global responses have not been sent to us even though I had asked the Government House Leader if those globals would be sent to us so that we could pursue them or go through them long before the last . . . what may or may not be the last session where we have a chance to deal with the Department of Finance.

So I'm wondering, Madam Minister, do you have the globals

available? And would you make them available to us now, please?

**Hon. Ms. MacKinnon:** — Yes, we have them, and we will send them across. Just for the record I want to clarify. The Chair of the Crown Corporations Committee has reminded me that they are up to date. They're talking about 1993. Plus they're also talking about prospective issues with respect to Crowns. And she mentions to me that if there was a more cooperative attitude, they could probably move along even more quickly. So that information is available.

**Mr. Toth:** — Well, Madam Minister, if '93 is up to date when we're halfway through 1995, then I wonder what we really call up to date, and I wonder what it really means to the public out there.

And the interesting point, Madam Chair, is while the Crown Corporations Committee has certainly allowed for an expansion of the mandate, the minister still has the opportunity to determine whether or not they want to go out of the year under review, whether they want to address issues as they are immediately taking place. And it's selective amnesia again, takes place even in Crown Corporations Committee.

Now, Madam Minister, it would seem to me . . . and we're going to take a bit of time to peruse your globals, and I thank you for submitting them. It's unfortunate that they weren't ready the last time we met, so we would have had an opportunity to sit down and look at them in more detail.

But I think, Madam Minister, before I sit down and allow other colleagues to enter the debate, we must be mindful of the fact that utility rate increases, utilities in this province and the Crown sector, do generate some 40 per cent of the economic activity and the financing of this province. And it's important that we review that as an overall or global view of financing in the province of Saskatchewan. And it's unfortunate that you're not willing to share some of that information because a lot of times committee meetings are not as accessible to the public as we do have in estimates with the Department of Finance today.

So, Madam Minister, I will allow other members to get into the debate at this time.

**Mr. Swenson:** — Thank you, Mr. Chairman. Welcome to the minister and her staff once again to be in the Assembly dealing with issues surrounding Finance. I'm going to deviate a bit from the questions that my colleague from Moosomin was asking, to give your officials time to start coming up with some of those answers. And we can come back to the role that Crown dividends play in your tax regime in the province of Saskatchewan.

But I would like to go back to also another debate in here when you assured me that the proper place to ask those questions was in your estimates. And we were in here on interim supply a couple of weeks ago and I was asking you some questions about Treasury Board and Treasury Board compliance and the

report that you used to okay the casino deal in downtown Regina.

And you said at that time, this is interim supply; I'm not going to talk about that any more. End of discussion and that was it. And we now have the appropriate forum because Treasury Board is a function which you preside over.

So you told me at the time, Madam Minister, that it was not the report commissioned by the Gaming Commission that you relied upon — it was something else — for Treasury Board approval of this scheme of the Economic Development minister's. Could you now tell me what report Treasury Board used to okay this very large expenditure of dollars with the downtown casino?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I would say is that there is nothing in this budget respecting casinos. There is no revenue expected in 1995 in this budget as prepared with respect to casinos, therefore there is no offsetting information or offsetting analysis as to what the analysis is based on.

**Mr. Swenson:** — That's really unfortunate, Mr. Chairman. I expected a different answer of the Finance minister, especially after the discussion of some weeks ago.

I mean it is exactly in the public interest, Madam Minister, to know what's going on in downtown Regina, because you're taking that money directly out of the Liquor and Gaming Commission, and that is money that could flow into the Consolidated Fund, and instead you're giving the minister a free-wheeling hand in downtown Regina and spending over \$20 million.

It's totally appropriate, especially when you told me that there was a logical progression of events, a normal progression of events through Treasury Board — that the analysis was done, and because of the analysis this is how you decided to do it.

Of course it affects the taxpayer. If that money wasn't spent in downtown Regina there'd be more revenue for you, more revenue for the Consolidated Fund, maybe more hospitals stay open, maybe less sales tax. It has very large implications. And I don't know why you would want to hide from the people of this province. If it's as simple as an analysis done through Treasury Board, then why not tell us about it if it was on the up and up.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. What I would say is that the project is being financed by the developer. There is no long-term budget in place because there is no revenue from this budget associated with casinos. Assuming there is a long-term revenue stream, there will be a long-term budget and all of the decisions that you're talking about will be forthcoming to the public.

**Mr. Swenson:** — Are you now telling the Assembly, Madam Minister, in direct contradiction of what you said earlier, that there was no proposal through Treasury Board as you claim

everything happens with your government? That Treasury Board did not consider this proposal, when a few weeks ago you said that it did? Is that what you're telling the Assembly now?

**Hon. Ms. MacKinnon:** — Mr. Chairman, what I said to the member opposite, I will say again. What we're discussing here today is the 1995 budget. There is no revenue from casinos in this proposed budget, and it's got to do with the timing of the project. And when there is a revenue stream there will be a budget associated with the revenue stream and this will be available to the public at that time.

**Mr. Swenson:** — Mr. Chairman, in my view, that simply is not acceptable. I don't understand why this minister, who claims to have such a thorough Treasury Board process for reviewing all projects, would want to hide from this Assembly on this issue.

The Associate Minister of Finance told this Assembly that that casino may not turn a profit for four years — four years, okay? If it isn't turning a profit, that means that it is running a deficit; that means that it is drawing funds from the Liquor and Gaming Commission, Mr. Chairman. And if it's drawing funds from the Liquor and Gaming Commission, that Crown has less revenue then to turn monies back to the Consolidated Fund and it affects every taxpayer in this province. Every health care worker, every education worker, everyone in this province, can be affected by that decision, Mr. Chairman.

Why in the world the Minister of Finance would want to hide from this Assembly on what should be a simple process . . . If it came through Treasury Board, the analysis had to be done by somebody and it went through and it said that this is a good operation, the revenue streams will be on the positive side, why would not the minister want to tell us? It is a matter of financing of the province when over \$20 million of capital expenditure are made. And the minister, the associate minister, clearly said that this may not generate a profit for up to four years. Why wouldn't the Finance minister want to make it very clear that the due process was followed in this circumstance?

**Hon. Ms. MacKinnon:** — Mr. Chairman, unfortunately I have to take a fair bit of time because the member opposite takes comments made on this side of the House and then he twists them, he twists them. Because the associate minister never said that the casino is not going to make money for four years. He never said that at all.

What he said is when we put before the people of Saskatchewan our four-year plan in the recent budget, on February 16, the details, the agreements, regarding the casino were not in place. That is it didn't exist from the point of view of the law, so therefore it was not included in those four-year numbers. Because they couldn't be because it wasn't finalized.

So there is a world of difference between that and saying that the casino is not going to make money for four years. He never said that. It is simply untrue.

(1530)

And so what we have to get back to is straightening out what the minister did and the minister did not say. What he said is perfectly legitimate. When the budget was prepared, the casino deal was not signed, it was not law, it was not legal; it didn't exist from a legal point of view. So therefore there could be no revenue put in the numbers; because the numbers went four years out, it was not in the numbers for four years out.

That is a far cry from saying that it's not going to make money in over four years. And he did not say that.

**Mr. Swenson:** — All right, Madam Minister, you must have counter-evidence. It must be in that Treasury Board submission that we'd like to know about. The proposal that went through Treasury Board, what did it project for a revenue stream for the downtown casino?

If the member from Churchill Downs is wrong, then what is the right information, Madam Minister, about the revenue stream, so the taxpayers of this province can be assured that you are not dipping into the liquor and gaming committee in order to support a white elephant. Tell us about the Treasury Board report; then that shows otherwise.

**Hon. Ms. MacKinnon:** — Mr. Chairman, the member opposite knows that Treasury Board minutes are not public documents. And the member opposite knows that there cannot be subsidization of the casino occurring because it would have to be in this budget, and it's not there.

So again the member opposite has got to come back to some basic facts. It's not in this budget for one simple reason: it's an issue of timing. When the casino is fully finalized and up and running, there will be all of this information, and it will be fully available.

**Mr. Swenson:** — Well it seems strange to me, Mr. Chairman, that the Minister of Finance wants to hide behind the fact that . . . And it was amazing how a month ago she said, well of course we look after every penny and that normally this would all go through Treasury Board, and we would analyse it, and we would say yes or no to it because it involves very large sums of money.

And now today, now today, Mr. Chairman, when we're getting in the dying days of this legislature and the minister is saying that we should pass this budget, she's going to allow the minister responsible for the casino, the Economic Development minister, to go play in downtown Regina with a \$20 million project. And we the taxpaying public of this province, and particularly in this city, are supposed to say, oh go ahead, don't worry about it. When the information becomes available on our political timing, we'll make it available to you.

Well, Mr. Chairman, that doesn't sound like the rhetoric I used to hear coming from the NDP benches when they were in opposition. There would have been particular Cain to pay over

something like that. Over \$20 million going into a building in downtown Regina, a Crown corporation set up under special rules, special circumstance — and this Minister of Finance who claims to be the most open Minister of Finance in the province's history wants to hide now.

And why does she want to hide? The only reason I can guess, Mr. Chairman, is that there's something about that analysis that Treasury Board did that this minister knows would be repugnant to the people of this province. And if there's something about revenue streams surrounding the casino that is good news, why in the world this Finance minister would not want to tell the Assembly about it, I don't know.

But instead, no I can't talk about it. We should deal with the other estimates. We should simply allow this \$20 million-plus project to proceed in downtown Regina and let one of her cabinet colleagues do it with a free hand. And we, the rest of us in this province, are supposed to simply ignore or forget or applaud what's going on. And I don't think that's the kind of regime that any of us want, Mr. Chairman.

The minister brings in balanced budget legislation into this House, says I'm going to balance over a four-year term. I'm going to show you how our four-year projection goes. We ask some questions about an integral part of that. Liquor and gaming, it's a huge industry, \$90 million in profit. Minister doesn't want to tell us about it.

I don't for the life of me understand that logic, Mr. Chairman. Why the minister wouldn't say, we went to Treasury Board. We used this individual or group of individuals for analysis. The analysis was proper. We project a revenue stream of X; it'll fully support the casino. The casino will make a profit. It'll support the lease payments. It'll support all the infrastructure costs. It'll support the staffing, and it'll support the social problems that will evolve around the casino. And I'm sure that that proposal went to Treasury Board — or at least Madam Minister says it did — and supported all of those suppositions. Why in the world she would not want to tell this Assembly about it, I don't know.

Madam Minister, why don't you want to tell the Assembly about the Treasury Board work which you claim is so important to your administration, and yet you now say is not important to the Assembly?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, again I have to spend time correcting the facts. This is not being built by the government. It's a private developer that's doing the building. The building isn't even completed. So there is no subsidization in this budget for the casino. There is no revenue stream in this budget for the casino. When there is a revenue stream, it will be reported to the Assembly, and the information will be available.

But what I want to ask the member opposite is why they are so interested in talking about what is not in this budget, why they're not interested in talking about what is in this budget

because there are important things in this budget such as . . . I would like to know their views on the tax cut for families — \$150 per individual, \$300 per family income tax cut. That's in this budget. That's something that's probably worth talking about.

So I think we should try to focus on what is in this budget, not what is not in this budget because there is no subsidization for casinos and no revenue stream from casinos.

**Mr. Swenson:** — Thank you, Mr. Chairman. I assure you, Madam Minister, that we'll have ample opportunity to talk about taxes later on in our discussion. And we'll talk about them in great detail, about some of the promises you made, some of the taxes you've levied. And we'll compare that total tax increase of 225 million which you've admitted to in this Assembly, of imposing on Saskatchewan people over the last three and a half years. We will talk about it.

But the reason we asked these questions, why my colleague asked you questions about the Crown corporations is, is that you seem to take great delight in keeping a big part of government — government expenditure, government revenue — out of this Assembly.

We ask you questions about the Crown corporations which pay dividends, which you have a lot of control over. We ask you about a new Crown corporation which you formed just recently, one that is very unique, spending tens of millions of dollars, and you don't want to talk about it. You say no; none of that should be the business of the parliamentarians of this province. It shouldn't be the business of the taxpayers. You should just let us have a free hand to do what we want over on that side of the ledger.

Well as my colleague pointed out, Madam Minister, the auditor doesn't agree. Most business groups don't agree. They would like to see all of those things brought before the Assembly, and we should talk about them. You know, the capital budgets of the Crown corporations, the depreciation allowance that they use, what type of rental agreement or promotional agreement that you have with developers in downtown Regina building a Crown corporation are important issues for the taxpayer.

I'm sure that the Minister of Social Services' clientele, who are always strapped for cash in this province, would like to know what the Crown corporations are up to because you know what? The poor always pay. They don't have any choice about paying their utility bill. You know, they pay the power, and they pay the gas, and they pay the telephone, and it is a big part of their budget. And if those people who can least defend themselves in our society know that there is a cabinet minister fooling around in downtown Regina with tens of millions of dollars and you don't want to talk about it, I would think they'd be a little upset. If I were the Minister of Social Services, I'd be a little upset with you.

So why in the world you would not want to tell the people about that side of government I don't know and why those aren't

legitimate questions of you, when over 40 per cent of government is on that side. So once again, Madam Minister, confirm this for me then. Did the proposal for the downtown casino, the casino corporation, did it go through Treasury Board? Yes or no?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, there is no money in this budget for casinos. And when that money is there, we'll give you the appropriate information.

But I really want to emphasize the importance of the changes that have been made in the Crown Corporations Committee. The Chair of the Crown corporations and the members of the Crown Corporations Committee deserve a lot of credit. I want to stress that committee is open to the public and to the press, so the public and the press can have access to the information there.

And you mentioned the auditor, and the auditor does say things about the Crown corporations. He makes a comment about our reporting and says our summary financial statements are fully disclosing to the public the facts of how we spent money across government, including in the Crown corporations. And he says this about the work of the Crown Corporations Committee, and I quote from the recent auditor's report, page 6, paragraph .21.

... officials of Crown corporations provided the Committee very useful information and explanations about specific policies and decisions. As a result, Committee members were better able to discuss the past performance and future directions of Crown corporations. Public accountability is strengthened.

**Mr. Swenson:** — Well that was a nice little piece of information, Madam Minister, but it wasn't the question I asked. The question I asked — and it's very simple — yes or no, did the downtown casino corporation proposal go through Treasury Board or not? Yes or no?

**Hon. Ms. MacKinnon:** — Mr. Chairman, we've already told you that parts of that have gone through the process. But again, I'm very leery of saying these things to the member opposite because he takes them and twists them.

I would say that the main part of what is occurring with respect to the downtown casino is being done by a private developer, has nothing to do with the government. So that's the most that I can tell you because it happens to be the truth.

**Mr. Swenson:** — Mr. Chairman, this just gets stranger and stranger. Minister will not confirm it went through Treasury Board when she told us earlier on that it has to go through Treasury Board. Now the government doesn't have anything to do with it.

Madam Minister, who is paying the lease fee for the downtown casino then? Are you telling me you've got a white knight who's paying the whole shot, and you don't have to pay him back?

Madam Minister, who's paying the lease fee for the downtown casino?

**Hon. Ms. MacKinnon:** — Mr. Chairman, there is no lease fee because the casino isn't built. This is my whole point with the member. He is jumping light years ahead.

We're talking about the 1995 budget. In there, there is nothing subsidizing any casino. There is nothing about a revenue stream. The member opposite is asking about a project that isn't even built yet. When the project is completed, when there is a revenue stream, all of these details will be made available.

**Mr. Swenson:** — Well, Madam Minister, you're asking us all to . . . I mean, did you just drop down the rabbit hole and go off to Alice in Wonderland or something? I mean take a walk downtown. Construction is ongoing. The money is being spent. They had a picture of all the toilets lined up in the paper. Madam Minister, the money is being spent. Now, Madam Minister, somebody has to pay for all of that, okay? I'm sure that this developer isn't going to pay for all of that unless he expects to get paid back, unless you're going to let the developer run the casino and take the profits from it.

So, Madam Minister, who is paying for all of the stuff in downtown Regina that is going on as we speak? It's being spent, okay. Thirty-day payable, 60-day payables, 90-day payables — I don't know. It's being spent. Who is paying for it, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I've said again and again is it's the private developer that is doing all of these things that he is describing. And the commitment of the province is that when this is completed, we will sign a long-term lease.

But you know, everybody in this House has to be accountable. And we're talking about a significant budget here with significant tax measures and many, many other issues of great importance to the people of Saskatchewan. Why we go around in the circle of asking the same question and me giving the same answer about one issue which I've told the member opposite is not included in the budget, I don't understand.

For the final time, there is no subsidization of casinos in this budget. There is no revenue stream of casinos in the budget.

(1545)

**Mr. Swenson:** — Well, Mr. Chairman, as I remember the role of opposition, whether it was New Democrats or Conservatives in that position, it's always been to ask questions about where the money's being spent. Okay? Now, Madam Minister, the government is going to pay back.

And you could answer a few questions in this committee, and you would be on to all those big and wonderful things that you want to talk about. I simply asked a few simple questions — you know, yes or no. Did it go through Treasury Board? Yes or

no? Is the government responsible to pay the developer? You know, very simple questions, Madam Minister, why don't you want to answer those? I mean it might make us believe you a little bit more in the rest of these estimates if you could just answer a few of the simple ones. We're only talking about 20 million bucks here, you know, not the bigger picture of 5.2 billion that the rest of your budget is.

Why would you want to answer those simple questions about your processes, and then maybe we'd believe what you say in the rest of it. And I don't understand your hesitancy, Madam Minister, to be truthful about what processes take place, you know. Process is very important. Why don't you tell us?

**Hon. Ms. MacKinnon:** — Mr. Chairman, what I've said to the member opposite is, when there is a revenue stream we will bring it before this legislature. There is no subsidization. There is no revenue stream in this budget and it would be foolhardy to stand here today and say, well yes, let me tell you this about it, let me tell you that. When we have the whole picture completed, the public will be informed.

**Mr. Swenson:** — Well why don't you start right now, Madam Minister? Real easy. Give us some soothing thoughts that you are a process-orientated minister in government. Did you take the proposal through Treasury Board and Treasury Board okayed it? It's easy — just say yes or no and we can get on with other things.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. Every measure that will cause the government to either spend money or receive money goes through Treasury Board. So this will have gone through Treasury Board in some preliminary stage and will continue to go through Treasury Board as it develops.

**Mr. Swenson:** — Thank you, Mr. Chairman. We are making progress. It went before Treasury Board. Can you tell us who gave you the analysis? Who did the analysis through Treasury Board? It's easy.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. The final budget for this project is not in place. There is no revenue stream. There is no subsidization. And beyond that we can go in these circles for as long as the member wants. I have lots of time. But I do say that this is an important budget and I think he has to justify to the people of Saskatchewan, he and I standing here and going in our circles — because we are.

**Mr. Swenson:** — Well I'm very happy to do that, Madam Minister. My guess is probably 50 per cent of this community are diametrically opposed to that project. And after the last time we visited this subject, I had a lot of phone calls from individuals who were very curious as to why you wished to be so evasive about what was going on down there.

You just said, and I don't want to twist your words, that's there's been no final budget developed for this project. Are you telling the Assembly that the Minister of Economic Development has

got an open-ended budget down there that he can run with however he pleases? Is that what you're indicating?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. What I keep saying is the casino is not yet built. It is the private developer that is doing the building. By the time the casino is built, up and running, by the time there is a revenue stream, all of this information will be available to the public.

**Mr. Swenson:** — Okay, Madam Minister. Does that mean that the developer has an open-ended budget? Did your Treasury Board perusal of this give the developer an open-ended budgetary process that he can do as he wishes with the development of the downtown casino? Is that part of your Treasury Board process?

**Hon. Ms. MacKinnon:** — Mr. Chairman, the member opposite knows that the casino is not yet up and running. When it is up and running, all of this information will be available to the public. What I can say about it is that in this budget, which is the budget for the province of Saskatchewan in 1995, there is no revenue stream associated with the casino; there is no subsidization associated with the casino.

**Mr. Swenson:** — Thank you, Mr. Chairman. Madam Minister, I just asked a really simple question that any taxpayer would ask you. Does the developer have an open-ended budget? I mean you projected it at 24 or 25 million. If he runs it up to 30, are you obligated to pay, basis that overrun?

Is that the deal that you took through Treasury Board, that this developer can run with this thing as far as he wants and then turn around and get those lease fees from the liquor and gaming corporation to pay whatever it costs to . . . I mean what if he runs it up to 35 million bucks. Are you obligated to pay, to pay it off? Is that what you're telling me your Treasury Board process is like?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, we go through this again and again. It's a private developer developing the casino. We will only pay a lease fee to that particular developer, and all of the information that we can make public will be made public at the time when there is a revenue stream available to the treasury. And that will be available.

So as I say, I'm not sure that the member opposite . . . I'm not sure why the member opposite feels that this is the only real issue that he's concerned about in this budget, when you consider all of the many things, especially in the tax area, that are included in this budget.

**Mr. Swenson:** — Well I believe it's an issue, Madam Minister, because you want to hide. The Gaming minister wants to hide; the Economic Development minister wants to hide; and you obviously want to hide. And that makes it an issue. All you have to do is answer a few simple questions and the issue goes away, right?

I asked you: does the developer have an open-ended process down there where he can spend as much money as he wishes in developing the casino with the full knowledge that the Government of Saskatchewan, the taxpayers of this province, will pay whatever lease fee is required in order to cover off that expenditure? Do you have an open-ended agreement, or do you have a capped agreement, Madam Minister?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I've said I will say again. It's a private developer doing the development. When the total picture is clear, the total picture will be made available to the public. There's no point in standing here trying to piecemeal and put together little pieces of the puzzle, because that is not available right now.

What will happen is, when the information is available, it will be made fully public.

**Mr. Swenson:** — And, Mr. Chairman, I find that a terribly arrogant attitude to put to the people of this province for the very simple reason is that none of us, none of us as taxpayers, would go out and contract an agreement with a developer without knowing at the end of the day that there was a finite end to it.

The minister, by evading the question, is basically telling us that they have given a developer free rein to build a casino in downtown Regina with no restrictions at all on cost, expenditures of money, knowing full well at the end of the day all of his costs will be covered off.

Now I'm pretty sure, Mr. Chairman, that the average taxpayer in this province would like that kind of a deal. I mean maybe we should all be developers and we should all work with the New Democrats. Because it sounds fairly sweet to me: that if I can go build a building in downtown Regina, and no matter how much money I spend on it, the government's going to pay it off, that's not bad business at all — that, I think all of us would appreciate. I know I'd like to find something on my farm that worked that good. You know, I could just go out and sow it once and it would pay for ever. That would be a pretty good deal.

Is that what you're telling the Assembly, Madam Minister, that you have an open-ended agreement with a developer; no matter what the cost, you'll pay the price?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, he knows full well that I haven't said that and he knows that he's twisting these answers. And he knows that if we want to get into deals with developers that had no caps and no conditions that protected the taxpayers, I have a litany of what happened here in the 1980s that will make everybody watching have their hair stand on end as we go through what we're still paying for, in terms of the open-ended deals and the no caps and the total lack of public information.

I mean when you were on the Treasury Board benches, sir, you could create . . .

**An Hon. Member:** — Never sat on Treasury Board. That was just a guess. That was just a guess.

**Hon. Ms. MacKinnon:** — When you were in the cabinet of the previous administration, you could create Crown corporations in this province, have them lose millions of tax dollars, and not even have the legislature know that they existed.

What I've said to the member opposite is, when there is a revenue stream, when the project is built, up and running, there will be complete and open disclosure of all of this information. But the information is not available now in a comprehensive way and we're not going to sit here and piecemeal it together.

**Mr. Swenson:** — Thank you, Mr. Chairman. Madam Minister, I've given up trying to get any details around the revenue stream or anything else. That's obvious that you aren't going to talk about that. I'm just back to some very basics. It's a basic question: do you have an open-ended agreement with the developer with no caps on it? I mean that's got nothing to do with your revenue stream. I won't ask you another question about your revenue stream. All I'm saying is do you have a process that allows that sort of thing to go on?

And, Madam Minister, most of the things that you wanted to talk about are old news — old news. And you know the really important thing that stands in my mind though is that I ran an election campaign in 1991, and you did too, and you said, ah, we're different; we would never do those things — we're New Democrats. And now today you want to hide in this Assembly when you're asked some very simple questions about how much money the developer is going to spend on the casino.

And I didn't even ask you how much. I just said, is the agreement capped or is it open? And you don't want to tell us how much money the individual is limited to or not limited to. You simply say it's none of our business. And I don't understand that.

Why you would form a Crown corporation, specially designed, and then say that Crown has no limits at all on it? It can just go spend any amount of money that it wishes and there's no restrictions on private developers who do business with the casino corporation. Private developers that do business with the casino corporation can simply spend as much money as they wish because you've guaranteed them that the casino corporation or the liquor and gaming corporation will pick up the tab.

Do you consider that to be a good way to do business, Madam Minister, an open-ended contract to spend as much as you wish? It's a simple question, and you can answer it very quickly and say it's either open-ended or it's not open-ended. And I don't know why you would want to not tell the Assembly that.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what he is trying to do is to get little pieces to say, well it's not this, is it that. What I'm telling you is the project is not up and running; when it is up and running, all of these

issues will be answered in a comprehensive way.

I would also like to remind the member opposite of the measures that this government has taken to improve public accountability. We have changed our accounting system so that we're now on an accrual accounting system, which is the same as an individual tearing up their credit card that got them into such debt and forcing the individual to use cash.

We now report to the public on a summary financial statement basis. What that means is that there is one document where you have to put all together, right on the table, all of the spending of the government, including across Crowns and all of the revenue. So we have done that.

We have forced Crown corporations and other agencies to provide annual reports and to provide them on a timely basis.

So in terms of openness and improving the accountability to the public, I think we have a record that does live up to our commitments in 1991 to open the books.

**Mr. Swenson:** — Why is it, Madam Minister, that you are so afraid of me knowing and this Assembly knowing little pieces of the deal? Why do you put it that way, that I'm trying to get little pieces? And why do you fear those little pieces so much? What is there about that that would frighten you as a Finance minister or frighten me as a member of this Assembly if I knew that knowledge? What is so frightening about the people of this province knowing about the little pieces surrounding your casino deal?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, there is nothing frightening to this government about the members opposite. What is frightening about the members opposite is what they did to this province before 1991. The questions they're asking now are not at all frightening.

What we're saying to the people of this province is, when we have a situation such as the casino fully operational, we have figured out exactly what the revenue stream is going to be, exactly what the costs are, and we can give them an accurate picture of what the situation is, we will give it to them.

We won't do what the members opposite did constantly when they were in government and unfortunately still seem to be doing in opposition: oh this looks good, let's try that, let's throw that out for a while and see how that floats; oh, sorry, wasn't exactly the right policy; we've got to now change it or we got to revise that or clarify it.

When we have full information and everything is figured out, we will tell the public. But we won't sit here and guess what something might look like. That's not the way to govern.

(1600)

**Mr. Swenson:** — This answer surprises me, Mr. Chairman, in a big way. Because what the minister is saying is, we're going to

spend all this money, we're going to anticipate probably some things happening, and after it's all said and done, whether it's a good deal or a bad deal, we'll tell you what we want to tell you down the road two, three years, whatever seems to be politically expedient. Okay?

Now that, Mr. Chairman, is not something the average farmer or business person or even the average householder in this province would do — enter into a multi-million dollar project and then say, after it's all said and done we'll figure out if it works or not.

Madam Minister, that's about the same logic that was applied in this province in the 1970s when you bought potash mines, used holes in the ground. You bought used oil wells. You bought used uranium mines. You piled all sorts of money into a bunch of stuff that should have been left in the private sector and taxed, and instead you invested all kinds of money — pension funds, you name it, the supposed Heritage Fund that we had in this province — and you piled it all into a bunch of used holes in the ground. And it made not a lick of sense, Madam Minister, not a lick of sense.

And now you're back to the same old stuff again. You're saying, I'm going to sink, I'm going to sink a whole whack of money into a used hole in the ground called the union casino or Union Station downtown, and after it's all done I'll tell you how I've sorted it out. Well in the 1990s, Madam Minister, I don't think that's applicable. It doesn't work that way anymore. No more than you'd go out and buy a bunch of used oil wells or a bunch of used potash mines or a bunch of used uranium mines today, or buy a used car without thinking about the consequences of that economic move.

But you're telling the Assembly today that I'm more than prepared to go do the same thing that the Blakeney administration did back in the 1970s. I'll take the Heritage Fund of this province and I'll sink it into a bunch of used whatever's. And I'm going to do that with the casino and it's all right. It's all right. Trust me, folks. A couple of years from now I'll tell you how it all turned out.

Well how it all turned out when you bought the potash mines and all the rest of that stuff, was nonsense. It was absolute foolishness. And world events prove that, over and over and over again.

So, Madam Minister, one last time: do you have an agreement with the developer? Is it open-ended or is it a capped agreement? And you don't have to get into revenue streams or anything else. Just give the taxpayers of this province some idea, Madam Minister, that they aren't buying a never-ending hole in the ground called the Union Station. That's all I'm asking you.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what I can assure the member is that we will protect the interests of the taxpayers with respect to the casino.

And you know, to the member opposite, that if he wants to get into history, we're going to have an interesting afternoon, because we can talk about the '80s all we want.

And I welcome a discussion about the 1970s. The Allan Blakeney administration in the 1970s had a balanced budget each and every year. When the members opposite were in government, not once did they have a balanced budget. In fact I can't remember, as a historian, when the Conservatives in this province have had a balanced budget. It would be, the earliest would be the '30s, or never.

And I would remind the member opposite about the Potash Corporation. Them standing up in this legislature, talking about us and how we handle business deals when they managed to take shares in the Potash Corporation when they were in government and sell them at \$18 a share — today they're \$70 a share — losing 3 or \$400 million tax dollars on the process, and tell us about how to run the business of the Government of Saskatchewan.

I mean if we want to get into this, we can. I'm here to talk about the 1995 budget of the province of Saskatchewan, and what's in it. And I'm very prepared to discuss all of those measures. But why the member opposite wants to stand here and talk about what isn't in the budget, and wants to talk about the 1970s and the 1980s, I'm not sure.

**Mr. Swenson:** — Mr. Chairman, I started out this discussion wanting to talk about May, 1995 and what was going on in downtown Regina involving the government. The minister doesn't want to talk about that at all. She wants to avoid that.

You know I want to talk about today, Madam Minister, not ancient history but you won't give us any answers. You simply want to hide. You simply want to hide behind all sorts of other issues rather than what is actually going on today in downtown Regina where your government's involved in a megaproject. A large one. You're expending millions of millions of dollars. You don't want to talk about it.

That's fair, I guess. That's fair if you're a New Democrat and you're in power, you don't have to talk about it. If you're a New Democrat in opposition, you talk lots about it. It's a good old double standard.

It's like . . . I was just reviewing all of this campaign literature from the '91 election, about the PST comes off at October 21, you know, and it just goes on and on. And interesting here, your candidate is talking about the PST coming off of electrical and heating bills and gas bills. Well it never has. It never has.

So it was just a litany of campaign promises broken. Premier's quoted, *Assiniboia Times*, October 17, four days before the election, that we're not going back to taxing Saskatchewan people. Oh no. Today we're at \$225 million in excess taxation.

So I'm really wondering what you do want to talk about, Madam Minister. Let's go to the \$225 million then, in extra

taxation since you took office. Let's talk about that. Could you give me the anticipated revenue from the debt surtax on individuals? And I would presume you would like to give me an annual figure on that.

**Hon. Ms. MacKinnon:** — In 1995-96 we'll be raising 77 million, but that's not the annualized number. Because in fact the . . . because the budget occurred after the new year, we cannot implement this measure till July 1, so you only get half a year. So the figure for this year, for 1995-96, is 77 million. And if you want the figure for next year, I can get that, if you would like to have that as well.

**Mr. Swenson:** — You can send that across at your convenience, Madam Minister, but I would like that number.

Madam Minister, when you promised in 1991 to take the PST off on October 21, why did you not take it off of natural gas and electricity, even though that was a specific campaign promise? And how much money has been generated by leaving the PST on those two items over the last four years?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, it was taken off natural gas and electricity.

**Mr. Swenson:** — So neither of these components have accrued any sales tax since 1991?

**Hon. Ms. MacKinnon:** — Mr. Chairman, and I want to repeat, because the members opposite again twist what the commitment was in 1991, what we said in 1991 was the members opposite, when they were in government, added the E&H tax to a whole range of goods and services, including children's clothing, books, residential gas and electricity. And we made the commitment to remove the education and health tax from those items and we lived up to that commitment. And it included residential gas and electricity.

**Mr. Swenson:** — Thank you, Mr. Chairman. Can you tell me . . . I believe you were talking to the member from Estevan last week. You indicated there was 314 million in increases in tax since 1991, but that you had also cut 155 million. Can you break that out for me?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. Before I answer that question, I'd like leave to introduce guests.

Mr. Chairman, I would like leave to introduce guests, please.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Ms. MacKinnon:** — Mr. Chairman, I would like introduce to the legislature the former deputy minister of Finance, John Wright, who it seems cannot completely withdraw from this particular building to the other side of the pond but has to come back for a visit.

So welcome back for a visit.

**Hon. Members:** Hear, hear!

#### COMMITTEE OF FINANCE

##### General Revenue Fund

##### Finance

##### Vote 18

#### Item 1

**Hon. Ms. MacKinnon:** — A rough breakdown is total deharmonization tax reductions about 110 million; total income tax reductions, about 59 million; and total business savings, about 52 million.

**Mr. Swenson:** — So that leaves then a net tax increase of \$225 million. Is that correct?

**Hon. Ms. MacKinnon:** — Mr. Chairman, what I was giving you was the reductions. Now your member from Estevan had concluded on his own calculations that number that you're talking about, 225 million. And I said it was in the ballpark. But I'm giving you an estimate of the reductions.

(1615)

**Mr. Swenson:** — Well I asked you about the 314 and you said there was 155 in decreases off of there. So you didn't deny that that was the number. My arithmetic says that that's about \$225 million in net tax increases in the province.

**Hon. Ms. MacKinnon:** — Mr. Chairman, what I said to the member from Estevan is that is in the ballpark of what the increase would be.

**Mr. Swenson:** — Could you tell me, Madam Minister, what the sum total of . . . you increased a number of corporate tax rates in 1992. There was a corporate income tax, a corporate capital tax, corporate tax surcharge — most of those things I remember going up. Can you give me a total of what the revenue of those tax increases have been over the last three years, since '92?

**Hon. Ms. MacKinnon:** — Mr. Chairman, we have done what we can to go beyond the bounds to give you some cumulative numbers going back to '91-92, but we don't have any capacity to do any further breakdowns here. What we have here are numbers for 1995, and we have some capacity to look back over 1994.

And that's what we have available. We don't have any further capacity because we've already done extensive work in order to give you the breakdown that we have so far.

**Mr. Swenson:** — Well the only reason I ask the questions, Madam Minister, it looks like we've got a 225-odd-million tax increase on our shoulders, as citizens, since 1991 and I'm just trying to understand components of it. I mean is it fair? Did business pay their fair share, or has the individual family been

the one that's picked up all of the load in this situation? I mean it's important, I think, as we go into an election campaign with you promising that . . . and promises don't mean much when you have this kind of a tax increase when you promised not to raise taxes.

But I want to understand where individuals, where companies fit in this thing. Have individuals paid more or have companies paid more? Can you tell me that? How is it broken out in all of these tax increases? Who has borne more of the share of the burden — companies or individuals?

**Hon. Ms. MacKinnon:** — Mr. Chairman, that is a complex calculation which we're not able to make right now. But what I want to say is when we looked at tax reductions in this budget, what our goal was was to ensure that individuals bore the majority of the benefits of the tax reductions. So that the tax reductions in this budget, 80 are borne by individuals, 20 per cent by companies.

The tax reductions available to individuals of course will be \$150 per taxpayer, \$300 per family reduction in the debt surtax which will come into effect July 1. And some of the targeted tax reductions to business are targeted specifically to job creation in areas like manufacturing and processing.

So what you're asking for is going way back into records which are not available in very detailed calculations. What I can tell you about though is what is the situation in this budget, and that is that 80 per cent of the tax benefits are going to individuals, 20 per cent to companies.

**Mr. Swenson:** — Well, Madam Minister, my calculations over the last two budgets show about 52 million bucks in tax breaks to business. That would be your last two budgets, shows about \$52 million in tax breaks to business.

Now you're telling me it's an 80/20 split. That means that the families of this province would need about \$208 million in tax breaks. And if that's the case, I'd like you to point out to me where that is because . . . and that would be over two years of course — two years. I accept that.

Am I wrong on the \$52 million in tax breaks to business over the last two years?

**Hon. Ms. MacKinnon:** — What I would refer the member to is to page 40 of the budget. What we're talking about is the budget announced this year and the budget that has financial planning going four years out. What the table on page 40 says is that commencing in 1995, going out to 1999, there's a total of \$262 million in tax cuts. Twenty per cent of those tax cuts go to business; 80 per cent of the tax cuts go to individuals.

As I keep reminding the member opposite, we're talking about the 1995 budget, and we're talking about the four-year plan contained in that budget. And this table on page 40 illustrates the point that I'm making in a pie chart.

**Mr. Swenson:** — Well, Mr. Chairman, it just gets curiouser and curiouser. The minister tells me I can't look back; that doesn't count. All I can deal with is last year's budget and this year's budget.

So I just asked a simple question. I mean it doesn't involve too much, Madam Minister. It's the manufacturing and processing tax, direct agent exemption, tax reduction for small business. I mean there's some other stuff here. It's just over the last two years. I just asked you if it adds up to about 52 million bucks. I mean your officials must know that. And you told me it's an 80/20, so I'm just trying to do the mathematics. Okay. I don't care about 1999. You said, let's deal with '95. That's what I'm trying to deal with — '94-95.

**Hon. Ms. MacKinnon:** — Mr. Chairman, I agree. Let's just deal with 1995. We will not be talking about previous years. I understand that. Let's agree with that. And I won't talk about '95 forward.

In this budget, the tax reductions that are being provided are provided on the basis that individuals get the majority of the shares . . . the majority of the share of the tax benefits.

The table on page 40 just takes that tax reduction and expands it over the period of time. But the tax benefit to individuals is an income tax cut which will begin to take effect this year, become fully effective next year.

**Mr. Swenson:** — What is the tax break to companies, Madam Minister, in '94-95? You must have the number. It would be right there. How much is it?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, we're talking about '95-96. We agreed that's the year we're going to talk about. What I would refer the member opposite to is page 72 of the budget. What he will find there is a list of the tax reductions.

The manufacturing and processing profits tax reduction, .5; the investment tax credit for manufacturing and processing, 3; the aviation fuel tax reduction, 1.2. I would add that up to be about 4.7. The personal income tax reduction, 35.5. So by far the vast majority that benefits the tax reductions go to individuals.

**Mr. Swenson:** — Okay, confirm these figures then, Madam Minister, and I'm sure you can. To date the manufacturing and processing tax credit is worth eleven and a half million dollars. Is that correct? The direct agent exemption from E&H is approximately \$11.3 million. The tax reduction for small business is \$7.2 million. And then there's the three other items that you mention. Are those correct?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, why we're getting confused is because we're shifting from years. All right? Now I had an understanding with the member opposite, I won't take him into 1999, fair enough; he won't take me back to '93-94. What we're talking about is '95-96. And the tax reductions that are in the budget for

1995-96 are listed on page 72 and they are the ones that I just outlined to this legislature.

**Mr. Swenson:** — I didn't ask you about '93-94. It was '94-95 and '95-96. I said the last two years, because you said that was the only information you had available, that your officials didn't have anything before that — fair ball. I just want to get an idea, Madam Minister, of how much in those two years people in this province have either borne the load or dropped the load. I don't know why you're so hesitant to give straight answers to the House.

What is wrong with asking? I mean, I haven't known a Minister of Finance in living memory that couldn't answer questions about the previous budget year and the current budget year, about taxes and exemptions. I mean, that's fairly common stuff that you'd work with over the last 18 months. Why are you so hesitant to answer that?

**Hon. Ms. MacKinnon:** — Well, Mr. Chairman, to the member opposite, what you're doing is you keep shifting from year to year. And then we agreed that we were getting confused because we're trying to compare apples and oranges. And then we agreed we would talk about '95-96. And I've given you the tax reductions for '95-96. I agreed also that we'd probably have comparisons to '94-95. But if you want to get back into '94-95, this is a whole other debate and we'll get you the numbers on '94-95 and send them across.

**Mr. Swenson:** — It's very difficult doing business with you, Madam Minister. You are very reluctant to talk about anything that has any breadth or scope to it because it seems to frighten you that you may have to give an answer that would be politically unpalatable to what you've been telling Saskatchewan people.

And it's important when people go into this election campaign that they understand clearly who has taxed them and who hasn't taxed them and what the various proposals that are being put forward to the people on what taxes should look like in the future will be. And I guess your answers and the questions I ask you will go a long way to determining what trust people have in those promises that are being made, and yet you don't want to answer. I mean if there's \$52 million in corporate tax breaks over the last two years, just spell it out.

It seems to delight the Economic Development minister to go to places like the chamber of commerce and talk about those kind of numbers, and yet you don't want to talk about it in the Assembly. He goes back a lot further than that. He'll run her right back to 1991. And yet here we ask a few questions about those type of things and you're very hesitant to answer them, and I don't understand that.

And it relates right back, Madam Minister, to the question that my colleague from Moosomin was asking. If we've got \$225 million in increases in the tax load in this province, and the auditor reports that we've got \$6.295 million of built up funds in the Crown corporations, and we've had a series of tax utility

rate increases, we've got SaskTel with a net profit of over \$300 million in the last three years, what process do you determine then, Madam Minister, to only come forward with a \$50 million dividend in the proposed budget year from CIC, given that Saskatchewan people have faced a \$225 million net tax increase over the last three and a half years?

Can you tell me what the rationale was for you to only draw down \$50 million on a \$600 million surplus in the face of those kind of tax increases?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, what you look at is you look at factors such as the economic conditions of the province, the fact that Crown corporations do not pay taxes. So what would be an equivalent amount to take as a dividend, that would be comparable to a tax if it was a private company. And you also look at utility rates in the province. I mean it's important to us that the package of utilities that people have to rely on — telephone, gas, electricity, insurance — that package of utilities in Saskatchewan is still the cheapest of any place in Canada.

So it's important to us that we ensure that those utility rates do remain amongst the cheapest in Canada. And as I say, right now, as of this last budget, they are the cheapest in Canada. So we look at all of those factors in deciding what dividend to take.

What the member opposite though hasn't mentioned is that some of those Crown profits have to be used to subsidize megaprojects signed in the 1980s by the previous administration, and projects that still require some subsidization because of the ways that they were initially financed.

**Mr. Swenson:** — So what you're telling me, Madam Minister, is that the capital assets of the Crowns, less depreciation, are used as the basis for the dividend. That it is then the equivalent of a private corporate tax rate. Is that what you're saying?

**Hon. Ms. MacKinnon:** — No, Mr. Chairman, to the member opposite. The member opposite says, why am I so cautious in answering it? Because I've never seen a party more interested in taking something and twisting it, just twisting it around.

And so what I said is there's a variety of considerations — the state of the economy, what would be equivalent in terms of taxes, and also the utility rates that the average person pays. So there's a variety of factors, and those are the factors. Those are the sorts of factors that are considered.

(1630)

**Mr. Swenson:** — In other words, Madam Minister, you sort of look at what you need and you sort of say, my friend, Ching, this is what we need to make it work; have you got this much in the kitty? Because what you told me makes no sense at all. You're telling me there is no process around capital and depreciation and what, on the basis of that type of cash flow basis, what they charge for utilities; that that doesn't work when

it comes to declaring a dividend. Now that's why the auditor says that all of that should be before the House. That we should know what those capital expenditures are, we should know what . . . the depreciation allowance is being used, and then we should determine what the dividend is.

I mean what you're telling me is, well I might twist something if I tell you anything. It's the same old story we've gone through all afternoon; any little bit of information that might be useful to the taxpayer is something you don't want to give out because it might hurt you in some way.

Well, Madam Minister, that's not good enough. What is the process that you used to determine a dividend? If it's not capital assets and it isn't depreciation and it isn't the level of the utility rate, what else is there in a natural monopoly in order to figure out a dividend?

They don't have any competition. They're it; I got no choice. So what else do you use, Madam Minister, to determine?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. I've answered that question, but I'll tell you, I'm sure the viewers of Saskatchewan are at the very least amused to have the Tory Party of Saskatchewan standing up and talking about openness and accountability to the public. I mean, really.

When they were in government, Crown corporations were created, lost money, and the public didn't even know they existed. There is openness with respect to the Crown corporations. The Crown corporations, as of our government, have to provide annual reports on a timely basis within a very short period of time after the year end, to the legislature and to the public.

The Crown Corporations Committee has opened up its proceedings to the public. They are looking at information not just retrospectively, but looking into current decisions being made, and the auditor in his report — as I recently read into the record — congratulated the government for its openness in Crown Corporations.

I mean there is a limit to the amount of nonsense that can occur here. To have the Tory Party of Saskatchewan talking about a government that is not open and accountable is quite simply, sir, laughable. The people of this province knew almost nothing about what was happening in corporations like this when you were in government. We have, as a government, made huge strides to ensure that the public is fully informed — and they are — as to what is occurring in those Crown corporations. Not only are they informed, they are informed on a timely basis. And you don't have to take my word for it; you can take the auditor's word for it.

**Mr. McPherson:** — Thank you, Mr. Chairman, and Madam Minister. We'll start off easy here this evening. I noticed from a news article: Saskatchewan towns fighting PST. And I know the last time that you were here in estimates, we had a discussion in regards to the amount of PST that your

government is now charging and in fact the harmful effects that high tax is having on not only the west, but I guess the east and south borders of the province.

And in fact, as I recall some of your arguments — and you've made them in estimates, and you've made them to the media — was that in fact you couldn't lower the amount of the PST because it would affect the amount of federal transfers that you would get. In fact you felt it was better off receiving monies from the federal government than from the market-place, I guess, as the Agriculture minister said was a better place to receive monies for the province today in question period.

So I think we want to touch just a bit on, in fact, what you're planning to do because I'm not sure if you attended in the last few weeks, Madam Minister, a meeting in the community of, I think it was Macklin. Yes, in the town of Macklin, there was a meeting. Did you attend that one? In fact I believe you are attending a meeting this evening in one of the communities — North Battleford or somewhere up there. Can you give us a bit of a rundown as to what the concerns are that you're hearing at some of the meetings that you're attending or will be attending?

**Hon. Ms. MacKinnon:** — Mr. Chairman, yes, to the member opposite, I certainly do hear concerns expressed about taxes across the piece. But what I'd like to ask the member opposite is why he has developed this sudden concern with the PST? What I really am interested in knowing — and I think the record of this legislature should show at some point — is why in two budgets, the 1992 budget and the 1993 budget, the member opposite stood up in this legislature and voted for an increase in the PST?

So at that time, he felt that it was a good idea to increase the PST. Now something has happened to change his view of this matter. And if we're not talking about the 1995 budget — which I'm prepared to talk about and I'm here to talk about — if we're having an open-ended, free-ranging discussion, I think the member may want at some point to read into the record what it is that has changed his view; why he felt it appropriate twice in this legislature to stand up and vote in favour of an increase in the PST and now why he has suddenly decided that an increase in the PST is a problem.

As I say, we're here to talk about the 1995 budget. If the member doesn't want to talk about that budget, that's fine. We will have a free-ranging discussion, but it will be on a variety of issues.

**Mr. McPherson:** — Well, Madam Minister, I don't know if you even came remotely close to answering the question. And I will give it to you again and slow so you can perhaps grasp it. Did you in fact attend a meeting in Macklin or are you attending a meeting in North Battleford tonight? What in fact are the concerns and what do you plan to do to address some of those concerns?

Now those concerns that are being raised . . . and in fact the response to those concerns are of course going to affect the

1995 budget. So it really was the question that you're wanting to get into. So if you would answer that, then in fact I'll go on record as stating yes, I did vote for those first two budgets. But just so that the people know that no caucus member, none of the members in your back rows, have any option. If you're part of the government, you cannot vote against the budget.

So now we've gotten that silly little game out of the way. In fact if you want to follow it, I have no problem. We've got the rest of the week, and in fact perhaps this should go beyond Friday, if you want to play those kind of games. Now it's up to you. I have a sense that you're going to be here a few times during the week. Because we just won't be wrapping this up quick with an attitude like you have, Madam Minister.

If you want to answer the questions, and I'll keep the questions, I guess, so you can handle them easy enough, and I'll keep them more to the 1995 budget. But if you want to take the topics beyond that, I think that's great. It's going to take some time. So you make up your mind just how it is you want to handle it.

Now if you want to get back to the original question . . .

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I don't think I've seen such a condescending attitude in this legislature for some time, and it's quite an admission to say, that although he didn't really believe in increasing the PST, he stood in this legislature and voted for the PST. I'll tell you, tell the member opposite, members of this caucus stand here and vote for things because they believe in them; not because they feel some obligation to.

With respect to Macklin, I have had no meetings with people in Macklin. The officials have met with Macklin. I have no meeting in North Battleford tonight. And I would be pleased to discuss the tax reduction measures that are in this budget and why we chose these particular tax reduction measures.

We chose to reduce the income tax because it provides the greatest benefit to Saskatchewan families; provides \$150 benefit, tax reduction benefit, to an individual taxpayer, \$300 per family. And unlike a cut in the PST, a one-point cut in the PST first of all would cost more, but also a much smaller percentage of that benefit would go to families. A lot of the benefits of the cut if the PST was cut would go to out-of-province businesses and others.

And our estimate is that a family at \$50,000 a year gets a benefit of about \$265 a year from the income tax cut that we chose. The benefit from a PST cut is less than half, at \$114.

And I would ask the member to please not be so condescending in his attitude.

**Mr. McPherson:** — Madam Minister, in the "Tax Fairness for the 1990s", Saskatchewan New Democrat Party caucus, January 1991, there's several parts to the document which talks about the PST. In fact let me just quote a few lines so you know exactly what I'm talking about. And I think you're very familiar

with the document anyways.

Over the past nine years, more and more people have concluded that the provincial tax system and provincial sales tax is failing to meet the basic test of fairness.

And of course the former government raised that tax from 5 per cent to 7 per cent. But now your government, Madam Minister, has taken it quite a bit further. And in fact all throughout the document it refers to the PST as a regressive tax, because you're placing the same tax in fact on everyone in the province that are having to buy goods regardless of ability to afford those goods.

And now you're telling me that in fact it's more fair, it's more fair in your eyes, to take a tax off of the income of people and in fact leave it on the consumption . . . leave a consumption tax on, and in fact your own document doesn't agree with any of these statements that you're making now.

So I know that when you were . . . you made the statement that you have already attended a meeting in Macklin. Could you tell me how many people in the community of Macklin or how many of the businesses along the west side of the province actually told you that their biggest concern was the flat tax? Or in fact are they telling you that their biggest concern is that they're losing a large portion of their business to out-of-province businesses? I suspect it would be the latter.

And you know, when I take a look at . . . here's a Canadian Federation of Independent Business survey, and you must have also gotten a copy of this in the last few days. I was just reading my copy here as we were listening to the debate from yourself, between yourself and the member from Thunder Creek. And in fact on the PST there's a few comments about retail competition from Alberta:

. . . is widely identified as a negative drain on our members' businesses throughout the west side of the province. The problem is most acute among communities closest to the Alberta border with a staggering 85 per cent of small businesses located within one hours' drive from Alberta . . .

Indicating that it has negatively affected their sales.

Now all throughout this document . . . it's actually quite an interesting survey that they've done, and I hope you have read it. If not, I'll ensure that you get a copy right away because I don't think that you have done a survey. Or in fact if you have done a survey, you've completely ignored the feelings of the rural people that are neighbouring the two provinces and in fact the southern States.

You know the other day I recall there was some questions on gaming, but I don't believe it was the Gaming minister that provided the answer. I believe it was the Minister of Economic Development, the House Leader, made a comment in the House that the reason they had to bring in VLTs and in fact bring in expanded gaming was in fact because our neighbouring

provinces had gaming and VLTs, and those states to the south of us had VLTs and expanded gaming, so we had to have done the same.

(1645)

And yet in this CFIB (Canadian Federation of Independent Business) survey, it's basically the same argument. These people are saying that along the two borders . . . or three borders, in fact the tax is so much lower and the businesses within an hour or two hours' drive are losing such a high per cent of their business. In fact it was surprising, Madam Minister, that they're saying Saskatchewan's small-business retail sector is losing at least \$85 million a year in sales to Alberta alone — that's just to Alberta.

Now in fact if the argument is fine that we had to get into VLTs and expanded gaming because of what's happening around our neighbouring provincial boundaries and that with the American states, why the difference for the tax? Why wouldn't it be the same argument you used? If in fact we're losing people from Saskatchewan, doing the shopping there — that was the same argument that you used for the VLTs — why isn't the tax argument the same? Give me an answer, please.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, you raised a number of issues and I'd like to go through some of them. The member opposite talks about the 1991 New Democratic Party election platform. And I would just say to the member opposite — he should understand fully what's in there because it's the platform that he ran on. And again I think the people of Saskatchewan deserve an explanation as to why he would stand up in this legislature, take the platform that he ran on to get their votes, to get into this legislature, and then stand up and say to this legislature, I'm sorry, I didn't believe it.

Did you only believe that platform because there were 40 or 50 other people believing the platform, the same as you only voted for the increase in the PST because there were 40 or 50 other people voting for an increase in the PST? As I say, I find it interesting that he would raise issues about that platform because that's the platform upon which he was elected to this legislature.

With respect to sales tax, of course I hear concerns raised in some parts of the province. But what we have to look at are some facts as well. The Canadian Federation of Independent Business survey is purely anecdotal. How much do you think you've lost from the retail sales? — I think I've lost this. How much do you think you've lost? — I think I've lost that. How much do you think you've lost? — Gee, I think I've lost that. Let's add all of these numbers up.

So again, it's the Liberal Party's use of statistics and facts. They come in and say, this is a fact, when they haven't done their homework to figure out what is the real, solid basis in terms of analysis and argument that can be validated by some independent source.

The other point I'd like to make is there are varieties of tax regimes. If you lived in Alberta, you would be paying a health care premium well over \$800. In fact if you look at increases, the increase in health care premiums in Alberta in the '90s has, on a percentage basis, been higher than the increases in sales taxes in Saskatchewan.

You want to compare at the other border. The tax rate in Manitoba is lower on some items, but on restaurant meals, for example, you'd be paying taxes on restaurant meals if you lived in Manitoba. You don't pay taxes in Saskatchewan. So there are a variety of comparisons.

But the final point I'd like to make is the Liberal Party is certainly the gloom-and-doom party. When I read the comments they make, I mean the province is in terrible shape, absolutely terrible shape. Nobody's going anywhere. Nothing's happening. They're in the doldrums. Now I'm not sure whether they're talking about . . . maybe it's not the province. They might be talking about the fortunes of their own party when they say those comments because again let's go back to some basic facts.

The most recent retail sales figures we have for a full year are for 1994. The increase in retail sales in Saskatchewan was 8.9 per cent — higher than Alberta which was only 7.4 per cent, higher than Manitoba which was only 4.4 per cent. So obviously these issues are of concern, and they're issues that have to be dealt with, but they're hardly issues that should lead us all into a gloom-and-doom mentality.

The economy of this province is turning around; it's turning around dramatically. Of all the areas where the economic turnaround is being reflected, it is in retail sales. And retail sales in this province, to finish off my comments, have increased more dramatically than either of our two neighbours. And they have increased 8.9 per cent in Saskatchewan and only 7.4 per cent in sales-tax-free Alberta.

**Mr. McPherson:** — Madam Minister, I guess we'll just keep exchanging comments probably for this evening, and maybe another day we'll get into more of the specifics.

As far as your increased retail sales figures that you're giving, what you're not telling the people is in fact that we were in the basement. You had taken us right down to the bottom. And in fact it's a lot easier to come up when you're in the bottom, percentage-wise . . . (inaudible interjection) . . . Well, it is. You know you make a lot of comments, Madam Minister, but you never have to back things up. You know I hear you talk about the CFIB survey being purely anecdotal. Well can you table in the House today your survey? Can you do that? In fact, I'll let you answer that right now.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite, I want to read into the record that we have once again caught the Liberal Party red-handed, misusing statistics. And we don't have to say it's my guess against your guess. What we have here are retail sales increases for '94 and for the previous

year.

The member opposite just stood in this House, and he said that we had an 8.9 per cent increase in retail sales in '94 because we were in the basement the year before. And if you're down so low, you've got so far to come up. And the member opposite is simply have to going to look at facts and recognize facts.

What I will read into the record is 1993; 1993 retail sales increased in Saskatchewan by 6.5 per cent — higher than Manitoba at 4.2, higher than Alberta at 3.5. So the member opposite again is simply incorrect, is simply incorrect in terms of what he said. The member opposite stood in this House a minute ago, and he said retail sales in Saskatchewan increased by 8.9 per cent. And the member opposite said clearly that the reason that the increase occurred was because we were in the basement in '93. The member opposite is simply have to going to accept the facts. We were not in the basement in '93. In fact relative to our neighbours on both sides, we were number one in '93.

Now what I'm saying to the member opposite, the Liberal Party cannot continue to misuse facts in this legislature. It happens all the time and it's not a fair or reasonable way to be dealing with the people of Saskatchewan.

**Mr. McPherson:** — Madam Minister, you're obviously becoming, you know, fairly good at spinning a whole blanket out of a few pieces of thread because in fact you've picked a couple of specific years. But you know full well, if you go back a little further, you will find out what I said was actually correct.

You made some other comments though . . . Because obviously you don't have a survey. You're saying the CFIB survey is not correct or incorrect or . . . I mean you question their figures, but you can't put out anything yourself. So I mean all the people of the province can do is rely on those people that are concerned enough about our towns and villages along the borders to in fact use their figures because your government mustn't be concerned enough. You've never looked into it. They're prying you out of this city to get out to Macklin and North Battleford, so you can hear some of these concerns. You make sure that you're well protected here in Regina.

But, you know, there's a world out there that is really struggling over some of your taxation policies. I really feel sorry for those people in trying to deal with you because I don't think . . . It's not that I don't think you don't understand their concerns; I really don't think you care. That's your problem.

Now when you talked about neighbouring provinces having increases in health care premiums, well somehow that's giving everyone the perception that well other provinces are increasing costs to their residents in health care, and you're not. You couldn't be further from the truth.

Let's take a look at what you've done with the prescription drug plan. You've taken a drug plan which was — wow — virtually

no cost to it, and you've made it now into a \$1,700 a year drug plan. Well what kind of drug plan is that? If you want to figure out, Madam Minister, the percentage increase in cost to the drug plan, you would be astounded. In fact it would make the neighbouring provinces look very small in any increases that they've made. And I'm not saying that any health care increases that they've made are correct. I don't call the shots for them. I'm only telling you what . . . the citizens within our provincial boundaries have a right to certain services from the government; they have a right that you're not going to gouge them. You've been breaking those rights.

You know, we take a look at a few others. In fact senior care is another one. Tell us what the percentage charge, increase in charges that you've placed on seniors that are living in homes, care homes, now that you've went to an income-tested charge. It wasn't too many years ago there was a flat charge. I can't remember whether it was \$300, \$350; maybe it was less. What are you at now, 900-and-some? You have to add in all of these costs that you have placed upon the seniors of the province, and in fact those people that need prescription medication. And you've increased, I guess . . . probably in some cases it would be in the hundreds of per cent increases.

That's you, Madam Minister. You're the Finance minister. You're the one that goes to Treasury Board, goes to cabinet and says, you know, I have got to raise this amount of money. And in fact we're going to do it regardless of . . . well especially regardless of your 1990 tax fairness paper that you've put out because you were right before when you said . . . and I campaigned on this document. There's a lot of stuff in here, Madam Minister, I still think is correct.

But you know what? You've broken just about every one of these rules or guidelines or promises. You're the one, Madam Minister. Take a look at the back page . . . (inaudible interjection) . . . Well sure, you know, don't heckle unless you want to get into it, okay.

Increases in provincial government licences, fees and charges since 1982 — and you've got a whole list of things here: resident white-tailed deer licence increased 100 per cent; driver's licence, 122 per cent. Can you, Madam Minister, provide me a list of each and every one of these items and how much you've increased them since you've come to power?

Because I'll tell you, you know as bad as we believe and know full well that the Conservative Party were when they were in power — they didn't care a lot about the same people that you don't now, Madam Minister — but you've outdone them.

On page 13 in this fairness for families document — let's take a look. You have a highlighted box here — increase in total annual provincial taxes for a family, at average wage, from 1981 to 1989. Now you're using the Conservative government years. Now you've listed the item, okay. Provincial income tax, increase in those eight years, \$414; utilities — because in this document it refers to utilities time and time again as taxation, a form of taxation, yet none of the members opposite will now

refer to utilities as taxation because you've taken it right through the roof — sales tax and gas tax, 182 bucks; prescription drug costs, \$145; property taxes, 506; losses of property improvement grant, 230.

So in this eight-year period that you have used, of what the Conservative government, the former Conservative government, used as increases . . . now this is on an average family — they increased the cost, \$2,294. And that's a lot of increase. There's no question.

But now let's take a look at your record. Since 1991 to, I guess it was 1994. Well three and a half years is what you've . . . You're sitting at, I think it's a little over \$4,500 increases to an average family of four, Saskatchewan residents — 4,500, more than double what the Conservatives did in eight or nine years.

I'm not saying what they've done is right, but how can you, Madam Minister, chastise anybody? And I don't think this \$4,500 that I'm referring to even includes the extra costs of the prescription drug plan. So don't in any way, shape, or form let on like your government or your principles are somehow tied to this government about tax fairness, because you won't find anybody that thinks that's the case — not anyone.

(1700)

You know, and if you were to also consider, when you're talking about health care costs rising for the residents of the province, any time the government is going to put more charges on the people through any form or fashion, it's a tax. You're taxing the people; you're taxing their ability to make a go of it.

But you know when you, Madam Minister, when you had to meet some targets, you and the Premier, you started closing hospitals. There again, you did it without a plan, holus-bolus, just . . . 52 hospitals you shut down.

And I know in a year or two . . . (inaudible interjection) . . . Oh, you convert. You go out and talk to the rural people. There isn't one of you that would come out to south-west Saskatchewan and debate me on whether you've converted a facility or closed it down.

Go to the community of Kincaid and tell them, you're okay, we've converted your hospital. Well I'll tell you what the people at Kincaid would tell you today.

The fact of the matter is there's other costs that you've put on to the shoulders of the Saskatchewan people, rural Saskatchewan in particular. And those are when you've taken away services. If you close a hospital — pick a hospital — if you close the hospital in Coronach or in Rockglen or Lafleche or Gull Lake or Vanguard or Ponteix or Kincaid or Mankota or Climax or Eastend, when you take services out of those communities, you then are taxing the people. You're putting, you're putting a cost to the people of those rural areas that they now have to shoulder to get those services elsewhere. You don't even consider those.

You see the problem is, Madam Minister, you consider only what is in front of you as far as the financial document, you know, that you're looking at. You don't see the ramifications to the people.

If you close their hospital in a place like Climax, what you've effectively done is put quite an increase in cost for people that need a service but in fact have to use the ambulance service, or in fact stay in motels. The waiting-lists alone at some of these hospitals that you have are in fact . . . I don't think you could even guess at how many dollars are spent in hotel costs alone, hotel/motel costs alone, that you have placed on the rural people of this province in having to stay in these facilities because they can't get the service out in rural Saskatchewan any longer. So you know, I know you really love to use other provinces as your example or your analogies. The fact of the matter is, I don't think you have anything that you can brag about.

You have completely shut down rural Saskatchewan. Now they're calling you out to places like North Battleford — I guess we'll get back to, I think it was the second question of the day — they're calling you back out to North Battleford to say you know, listen, we are having a really tough time of it. Our businesses are either going to close or we're going to move into Alberta.

And in fact I saw that only minutes ago. It was one of the questions on the CFIB survey. And in fact it was quite high. Well I'll find it when I get a chance to sit down and listen to one of your answers, Madam Minister. But it was in fact quite an amount of businesses that feel that if in fact you don't give some relief, then what's going to happen is that they're going to have to move to Alberta. Or in fact if they're not going to move to Alberta, they're probably going to have to shut down their business.

There we go, it's in table no. 5: what impact has cross-border shopping had on your business? And when we take a look at the response from some of the businesses, all right, for big-ticket retail items, lower employment levels, 80 per cent of these people — this is in the west side of Saskatchewan — 80 per cent said yes, there will be less employment; 60 per cent, lower capital investment. So they can't hire people. They can't invest monies to keep the business, well, going or in fact expanding.

Of those that are dealing with big-ticket retail items, 30 per cent may be forced to move to Alberta and 45 per cent may be forced to close. I think these are the kind of questions that they're posing to you in Macklin and again tonight. Not the prescription costs or the health care costs in Alberta. I think what they're asking you, Madam Minister, is, is there anything that you're going to do — is there anything that you're going to do — that's going to give some relief so that these people can make a business viable, so that they can raise their families in rural Saskatchewan, keep those communities viable?

I know you and the Premier haven't had a lot of desire to keep

some of the rural communities going up to now. But in fact I think that these retailers out in, you know, both the west and east and south borders of the province are now saying it's a do-or-die situation.

Smaller-ticket retail items, and those figures are just about the same. Lower unemployment; 73 per cent said yes, they're going to invest a little bit less; 11 per cent feel they may be forced to go to Alberta; 27 per cent, be closed.

And when you look at less than one hour from the border, we're back up to quite a high figure. For a one- to two-hour drive from the border, I mean, you've got 34 per cent of respondents are saying they may be forced to close.

Those are the kind of questions that are going to be posed to you tonight, Madam Minister. And if you can give any response at all, if you can, then it's going to reflect on the 1995 budget, if in fact you're going to do something in this fiscal year.

If not, then I suspect those people are going to do whatever they can to ensure you're not the one calling the shots after the election. Because you have put their businesses and their families and their communities at risk. You, with your high tax.

The only economic development really that I can think of off the top of my head that your government's been involved in in the last few years is VLTs. Doesn't that make you feel perhaps like you've failed? You've failed somebody; you've failed the taxpayers.

I mean surely somebody's getting a raw end of the stick here when all you can do is say that gambling is our only way out; that you in fact don't have any economic development plan, any way to bring in revenue to the province without in fact reaching into the pockets of the people that are needing these services that you're also taking away.

I guess I've raised enough issues for awhile. I'm going to let you respond.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the members opposite, the children may want to consider the random ramblings of the Liberal opposite and the comment made recently by a University of Regina economist who said this about the Liberal Party:

I find the Liberals very hard to read in terms of what their actual economic policies are. I do try to follow it closely, but they don't seem to really have a philosophy of government or a vision of what they want to do.

And, Mr. Chairman, I would say listen to the last five minutes and it's a perfect illustration of the fact that the Liberals have no vision, no philosophy. Well, you know, we shouldn't have cut the drug plan, we should cut taxes — ramble, ramble, ramble.

What I will say to the children is this. When we became the government we inherited a very serious financial situation. We

were on the brink of a financial crisis, almost to the point of being unable to borrow money. And we laid before the people of the province a plan, not only to balance the books, but to create jobs for your generation of children. And part of that plan to ensure that we do things . . .

**The Chair:** — Order, order, order. I will call the minister to order and remind her that it is not in order to involve guests in the galleries in the debate.

**Hon. Ms. MacKinnon:** — For Saskatchewan's children generally. Good point, Mr. Chairman — my children, your children, everyone's children. And we put in place measures to ensure that there were jobs for them, things like targeted tax reductions for particular businesses. So that instead of exporting our resources out of this province in a raw state, we would process them here. So we're not just exporting oats out of the province in a raw state. In Saskatoon, right today, they're processing those oats into a very fine powder that then is used in cosmetics.

So we had a plan to create jobs, and we still have more work to do on that plan to create jobs. And we had a plan to balance the books of the province, to ensure that we weren't every year spending more money than we were taking in.

And with the help and the cooperation and the input of all of the people of Saskatchewan, we achieved that plan. And everyone in Saskatchewan contributed and everyone in Saskatchewan should be very proud, because people outside this province are saying that we should be proud of what we've achieved. And I'd like to read into the record a few of the comments made.

For example, this is the Investment Dealers Association of Canada, a recognized agency that studies provinces all across Canada. And this is what has been said about the province of Saskatchewan. They said:

The deficit attack by Saskatchewan's NDP government is the most advanced in the country. They cut program spending by 3 per cent over the last two years, which compares to 6 per cent increases on average in the three years that preceded that. That's a hell of a turnaround. That's more than any other government has done in that period.

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — And, Mr. Chairman, you don't have to go outside the province. You can look within the province and see what some of the newspapers have said about the plan, the plan that we all developed, we all contributed to, and we all now can see has succeeded. This is from *The Melfort Journal* and it says:

The New Democrat government became the first in over a decade to introduce a balanced budget in the Saskatchewan legislature when they tabled their

1995-96 budget Thursday. Certainly this government is to be congratulated for presenting a balanced budget. It has accomplished a goal it set for itself before being elected in 1991 and it has accomplished this goal at a faster pace than could have been expected. In presenting their balanced budget Thursday, the Saskatchewan government set a standard that should be copied by governments across this country, both at the provincial and the federal level.

So, Mr. Speaker, what I say to the children of this province, across this province, is they've seen what happens here. The Liberals ramble on endlessly with no sense of direction, no sense of purpose, no sense of vision. This government — yes, we've had to make difficult choices, but we've had to make those choices in the interests of our children to ensure that they do have jobs and they do have sound finances and that they're not spending their lives paying off our debt.

We had a plan, we had a vision; that one has worked. We have a new plan and a new vision for the next four years, and I'm sure that one will work as well.

**Mr. McPherson:** — Well, Madam Minister, I want to thank you for the example of rambling on. But getting on with things, and I notice you were quoting into the record quite a bit, but let myself quote too: No to sales tax cut, by Randy Burton, Leader-Star services. And the provincial government . . . and I guess this is a quote from you directly, Madam Minister; in fact yes, it is:

The provincial government can't afford the economic development and jobs that would result from a sales tax cut because . . .

**Mr. McPherson:** — So I mean you admit that there is going to be some economic development benefits and jobs from doing that, but let me go on:

. . . that would result from a sales tax cut because such a move would mean less in federal transfers, says Finance minister Janice MacKinnon.

It's a quote, Mr. Chairman. And let me read on here:

It's an argument that astonishes Macklin mayor (I won't use his name) who watches his border constituents flee Saskatchewan to shop in the sales-tax-free Alberta.

You know, you want to talk about reading things into record, that's damaging. That's going to stick with you for years, Madam Minister, because people are amazed at some of the things that you have come out with.

In fact let me refer again to the tax fairness for the 1990s, New Democrat Party caucus. This is just prior to the winning of government. And this part of it is on gas tax. And I use this because I noticed in the CFIB survey — here we go:

High gas taxes as a contributing factor — the very high Saskatchewan gas tax was seen as a serious contributing factor to cross-border shopping. There's an added consumer bonus of travelling to neighbouring provinces to not only beat the PST but also fill up consumer tanks at four and a half cents per litre less provincial tax in Manitoba and gain an even bigger gas tax saving of 6 cents a litre in Alberta.

(1715)

And it goes on to talk about the harmful effects of having a high gas tax.

And in your tax fairness paper, Saskatchewan provincial tax on gasoline, you give some comparisons from 1981 when it was at 26 cents a gallon, to 1990 at 45 cents per gallon.

And in the paper, and I'll quote right from it:

In recent months Saskatchewan people have been becoming increasingly concerned about the rapid rising level of consumer prices for gasoline, diesel fuel, and home heating oil. They are acutely aware that the provincial government's significant gas tax increase has been a major component of the overall increase in consumer prices.

Well I recall back in the early '80s when the Devine administration, when the former Conservative . . .

**The Chair:** — Order, order. Now I know the member just realized his mistake, and I'm glad that he corrected it, and I'll ask him to proceed.

**Mr. McPherson:** — The former Conservative administration actually had cut the gas tax only for the election to put it up shortly thereafter.

So let me quote here:

Saskatchewan people know that they cannot expect miracles from the provincial tax system.

And because the heckling is so bad, Mr. Chairman, I'm just going to pick out a few quotes here: "People don't want empty promises; they will not tolerate lies and betrayal; they demand integrity from the tax system; they deserve no less." You had all the words down pat, Madam Minister, but in fact you failed. You failed.

Out of the StatsCan document 1991, I look at a list of communities that they show right across the major cities in the 10 provinces, and in 1991, the winter of 1991, Regina had the lowest gas price in Canada, right after . . . right at election time — right when you were doing this document; had the lowest. Now we're . . . now I don't know if we're just among the highest or we are the highest. Is there anywhere else in Canada where in fact it's lower in price?

And you know what's strange is that it's here in this province. I think we are the second highest oil producer in Canada and in fact refine, refine the products here. And look at the kind of tax that you've placed on fuel. And in fact the CFIB are now saying that your high taxes, not just the PST that they're asking you about in Macklin and in North Battleford . . . Even though that's really hurting them . . . And in fact it goes on to talk about how bad is it hurting them.

Well they're saying, to Alberta alone, it's \$85 million a year. The lost sales in turn could cause the loss of 3 to 5,000 jobs in this small-business sector. We'll have to come back to that because, Madam Minister, I know that these are concerns that are going to be raised tonight.

I wonder if you would . . . I wonder if you have . . . Well I wonder if you have the nerve to tell us what you intend to do about the problem, if in fact you're going to announce something at these meetings tonight, or why are you attending? To hopefully finally convince them that high tax is the way to go? Well I doubt it. I doubt that's going to sell out there. But in fact you've really been part of sticking it to those businesses all along the borders.

Now we get back to the job number, 3 to 5,000 in lost jobs. And I take it that this is still dealing with the west side of the province. I don't know if that's really dealing with the overall job loss that's expected. I don't know that; it's not in my survey and I haven't read all the way through it. But 3 to 5,000 jobs . . . And each and every day — I wish I would have brought some of them in here — each and every day your government . . . the Economic Development minister is sending out news releases, standing up making ministerial statements saying, well we're going to create 200 jobs here or 16 jobs there. I dare say there isn't a business or a person that would get a job in this province without it being in a headline right today. I've never seen so many headlines go out about . . . It's funny; you don't name the actual people that are getting the jobs. Lord knows, there's so few of them you could actually do that.

But here, here you're willing to risk 3 to 5,000 jobs . . . Not risk, I mean it's a loss now. You're giving up on those kind of job numbers by taking the financial burden off the shoulders of Saskatchewan residents so that they can earn a living, right? And in fact with a lower PST, you could make those communities viable for years and years to come and in fact perhaps do away with this perception that rural Saskatchewan isn't going to be there in the future anyways.

What about those 3 to 5,000 jobs? Why aren't some of these jobs coming back in those daily ministerial statements and news releases? You think nothing of spending millions and millions and millions of dollars on plugging money into some businesses right now, especially after chastising the former Conservative government for doing it. All you can say . . . well their numbers were bigger; you know, ours aren't that big. So what? Why in fact don't you get off the backs of the people of this province so that they can earn their own living without having to have you pull them down and in fact provide some

relief to people when . . .

You know the Premier said many times that in fact everyone has had to share in this pain. Well they did. But now if there's some gain, why can't we share in some gains? Why can't you give people a tax break, if in fact people like the Canadian Federation of Independent Business are sending out surveys . . . and obviously you don't have one as a government. But why can't you give these breaks to the people that will actually provide the jobs and provide relief so that they feel that perhaps they shouldn't be moving out of the province?

I'll let you answer for awhile.

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. Again if there's anything that could reveal a lack of vision and the lack of an overview as to where this province should go on the part of the Liberal Party, it's the ramblings of the member opposite. I will at least say this for the official opposition. When the Conservatives get up, there's a track to what they're saying. You may not agree with what they're saying, but there's a purpose. They're going somewhere.

This is just random rambling, so let me try to address some of the ramblings of the member opposite. He talks about the price of gasoline in the city. The most important factor affecting the price of gasoline right now is competition in the oil industry. It's the oil companies themselves who have increased the price of gas recently. There is a tremendous disparity in the price of gas in Saskatchewan relative to Ontario even though the tax levels are exactly the same. So he needs to talk to his Liberal counterparts in Ottawa about their competitions policy and why they aren't asking more serious questions of the oil companies.

I would also remind the member opposite the last government to increase the gas tax was not the Saskatchewan government, but it was his federal Liberal counterparts — some bits of information that he may want to digest. Again, the way the Liberals use numbers is absolutely frightening. The member says you know somebody said that we've lost to 3 to 5,000 jobs, and somebody said that, and that's a fact.

What we use is Statistics Canada, which Statistics Canada says this year, in the first three months of this year — the first quarter of this year — relative to the first quarter of last year, there were 10,000 more people working in the province. This isn't me going out and saying, well what you do you think? Do you think more people are working? Yes, I think more people are working. There's a fact. I think more people are working.

It's not that. It's not that kind of use of information. A bunch of people said people aren't working. Statistics Canada say 10,000 more people are working in this province than a year ago in the first three months of this year.

Now we still aren't resting on our laurels. We're still committed to creating more jobs. But I would say to the member opposite, if there is an illustration of the comment made by the economist that that there no vision, no philosophy to the Liberal Party in

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Saskatchewan, all they have to listen to is the ramblings of the members opposite. They're absolutely random.

You shouldn't have cut this means we should have spent more. Okay we should have spent more, but we should have cut taxes too at the time. Should have spent more, should have cut taxes, and of course the debt and of course balance the books. People saw that gobbledegook in the 1980s, and they saw the effects of it, and they're not going to buy it again, sir.

**Hon. Mr. Shillington:** — I move we report progress.

The committee recessed until 7 p.m.