

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

**Mr. Trew:** — Thank you, Mr. Speaker. Mr. Speaker, I have today a number of petitions:

To the Honourable the Legislative Assembly of Saskatchewan in legislature assembled:

The petition of the undersigned residents of the province of Saskatchewan humbly sheweth:

That the closure of Myers House and the failure of the Provincial Government to provide an in-patient facility in Regina for the proper care and rehabilitation of alcoholics and people suffering from drug and other abuse problems is unwarranted and improper.

Wherefore your petitioners humbly pray that your Honourable Assembly may be pleased to urge the Provincial Government to properly fund and provide in-patient facilities such as Myers House in Regina so as to ensure the proper level of care to people suffering from alcoholic, drug, and other abuse related problems.

And as in duty bound your petitioners will ever pray.

Mr. Speaker, on behalf of the close to 20 signatories on this petition — all from Regina — it is my duty and pleasure to table this petition.

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

**Mr. Trew:** — Mr. Speaker, I have a second petition with the same prayer. This one has eight Regina signatures, one from Outram, Estevan, a number from Regina, four more from Estevan, and half a dozen signatures from Bienfait, Saskatchewan, with the same prayer as the petition I just tabled. It is my pleasure to, on behalf of these people, table this petition.

I have another petition with the same prayer, this one with 24 signatures exclusively from Regina, with the one exception, that being a signature from Lumsden. On behalf of these two dozen people, it is my duty to table this petition, Mr. Speaker. Thank you.

Another petition with the same prayer, relating to Myers House — 24 signatures from Regina with the exception of one that is from Zehner, Saskatchewan, just outside of Regina. On behalf of these two dozen people, it is my pleasure to table this petition.

Again 24 more signatures — same petition, same prayer. This time primarily again from Regina, but a signature from Vibank, one from Regina Beach, and I apologize if I miss some other out-of-Regina signatures, but primarily Regina. It's my pleasure to table this petition.

Again two dozen signatories on the petition with the same prayer, Mr. Speaker. Again Regina, with the exception of one from Earl Grey and one signature from a Saskatoon

resident. On behalf of these two dozen petitioners, Mr. Speaker, it's my pleasure to table this petition.

Next petition has the same prayer relating to the same issue, again a full two dozen people. This one has signatories from Balcarres, Regina, Goodeve, Okanese. And on behalf of these signatories, I am pleased to table this petition today.

I have another petition, same prayer. This time there's eight signatories from P.A., a signatory from Saskatoon, the balance are from the fair city, the Queen city of Regina. On behalf of these petitioners it's my duty and pleasure to table this petition.

Mr. Speaker, I have another petition with the same prayer. This time there is one signatory from Lumsden and the balance are from Regina. On behalf of the people who've taken the time to sign this petition, that we might present it in the Legislative Assembly, I am pleased to table this petition.

A petition with the same prayer as all the petitions I have presented previously this day. This time signatories from Regina, scattered south-east and north end of Regina, south and central Regina. On behalf of these residents scattered throughout the city, it is my duty and pleasure to present this petition today.

I have yet another petition to add to the obviously growing list of petitions on this one issue. This time, Mr. Speaker, the petitioners are all again from the city of Regina. And they are very concerned about the matter they're petitioning the Legislative Assembly. I table this petition.

Another petition with the same prayer, signatories from Estevan, Balgonie, and Regina . . .

**The Speaker:** — Order, order, order. I think hon. members, even though they are not on their feet, should be conscious of the fact that we have guests in the gallery. I'm not sure they appreciate some comments they hear.

**Mr. Trew:** — Thank you, Mr. Speaker. This petition has signatories from Balgonie, Estevan, and Regina. On behalf of the people who signed this petition, it is my pleasure to present the petition to the Legislative Assembly.

**The Speaker:** — Why is the hon. member from Yorkton on his feet?

**Mr. McLaren:** — Mr. Speaker, I would ask for leave to introduce some guests in the gallery, please.

Leave granted.

**The Speaker:** — Leave is granted for all members to introduce guests.

## INTRODUCTION OF GUESTS

**Mr. McLaren:** — Thank you very much, Mr. Speaker. It is my pleasure today again, Mr. Speaker, to introduce to

you, and through you to members of the Assembly, there's 24 students, grade 3 and 4 from Angus Spice School in Yorkton, Saskatchewan. And they're in the west gallery, Mr. Speaker, and they're accompanied today by their teacher, Tom Koroluk, and chaperon, Kathie Grmidolov. And we would like to welcome the students here to the Assembly. We hope you enjoy the proceedings, you find it interesting and educational, and I will meet a little later with you to have pictures taken and have some refreshments in the members' dining-room.

We hope you have success with your exams that are coming up shortly and that you have a very happy holiday season. So I'd ask all members to please recognize and welcome these students from Angus Spice in Yorkton.

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

**Mr. Saxinger:** — Thank you, Mr. Speaker. I'd like to introduce through you and to you to the members of this Assembly a group of grade 8 students from Almighty Voice Educational Centre. There are grade 9 and 10. They are seated in your gallery. They are accompanied by their teacher, Brian Chipperfield and Brenda Fast; the chaperon, Peggy Baldhead; the bus driver, Douglas Baldhead. I look forward meeting with them at 3 o'clock for pictures and refreshments. I wish them a good stay in Regina. I hope you find it interesting, and I look forward meeting with you. I would ask all the members to please welcome these people to Regina.

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

**Ms. Simard:** — Thank you, Mr. Speaker. I wish to introduce to you and other members of the Legislative Assembly a group of people here in your gallery today, Mr. Speaker, known as the friends of Myers House, and I'd ask that group to stand please.

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

**Ms. Simard:** — These individuals, Mr. Speaker, have come here today expressing deep concern with the fact that Myers House in Regina, which is a drug and alcohol addiction treatment centre . . . they are expressing deep concern that it's being shut down. And they are hoping that the government will rethink its position and put its decision on hold to shut down this house . . .

**The Speaker:** — Order, order. I think that the hon. member's comments are inappropriate. They are comments which certainly provoke debate. It is not the forum for it, not the forum for it and ask her to carry on in the proper manner.

**Ms. Simard:** — Thank you, Mr. Speaker. I was simply indicating the reason for their attendance in the legislature, and I would ask you once again to welcome these people to the legislature. Thank you.

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

**Mr. Shillington:** — Thank you very much, Mr. Speaker. I want to join my colleague from Regina Lakeview in welcoming the friends of Myers House. My colleague has described their purpose. They're struggling to keep a facility open which they think, and many agree with

them, has been very, very effective. I'm going to ask the group to stand, so that the Assembly may welcome them in a proper fashion. I'll ask the friends of Myers House to stand.

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

**Mr. Rolfes:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of my colleague, the member from Saskatoon Eastview who was unable to be here today, I want to introduce a number of students — 28 in number, I guess 30 in number — from Wildwood School. They are accompanied by their vice-principal, Donna Hrytzak, and their teacher, Carol Thiessen. I will have the opportunity to meet with them probably after . . . well there may not be a question period today. Later on today, Mr. Speaker, I will discuss with them the procedures in the House and any questions that they may have.

I ask my colleagues on both sides of the House to welcome the people from Wildwood and hope they have an excellent day here in Regina. Thank you very much.

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

**Hon. Mr. Hepworth:** — Mr. Speaker, I'd like to introduce to you, and through you to all members of the Legislative Assembly, some 62 grade 8 students seated in the west gallery. This is the second group in as many days, Mr. Speaker, from the Weyburn Junior High School in Weyburn.

As I said yesterday, the schools, the teachers, and the parents, and the students obviously, place a great deal of importance on the students having an understanding of what the legislature is all about and what parliamentary democracy is all about, and so annually we have these visits from the junior high. I look forward to meeting with them around 2:30 for some pictures, refreshments, and a chance to answer some of their questions, Mr. Speaker.

They are accompanied today by their teachers Joanne Jensen and Janice Bernard, as well as bus drivers Anita Meyers and Roger Belevance. I would ask all members of the legislature to join me in welcoming this group from Weyburn Junior High, Mr. Speaker.

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

**Mr. Solomon:** — Thank you, Mr. Speaker. Mr. Speaker, with leave I would like to move a motion that we interrupt the presenting of petitions this afternoon to consider second reading of Bill No. 73, An Act to amend The Oil and Gas Conservation Act.

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

Leave not granted.

**Hon. Mr. Hodgins:** — Mr. Speaker, I'd like to ask leave of this Assembly to move to government business and specifically Bill No. 61, if the opposition so chooses.

Leave not granted.

## PRESENTING PETITIONS (continued)

**Mr. Trew:** — Thank you, Mr. Speaker. I have some more petitions . . .

**The Speaker:** — Order, order. Order! Order, order.

**Mr. Trew:** — Thank you, Mr. Speaker. I am pleased that the friends of Myers House are here today to witness the presenting of the . . .

**The Speaker:** — Order. The hon. member is out of order in his remarks. I wish to remind him of that, and I believe that we have to stick fairly closely to the format in presenting petitions and I ask the hon. member to do that.

**Mr. Trew:** — I thank you, Mr. Speaker, and will present a number more of petitions relating to the matter that I was presenting petitions on before I was interrupted by the introduction of guests.

This petition is signed by some 24 people, virtually all from Regina. On behalf of these two dozen petitioners, Mr. Speaker, it's my duty and pleasure to present this petition today.

I have another petition with 24 signatures on it, again primarily from the City of Regina — one signature from Regina Beach, other than that, all from Regina. On behalf of these two dozen people who are concerned about the issue I'm presenting the petition on, it's my pleasure to present this petition today.

Mr. Speaker, I've got another two dozen names, this time from Regina, scattered throughout, but safe to say primarily north and north-central Regina. On behalf of this whole page of petitioners I table this petition today.

To add another petition with the same prayer, Mr. Speaker, I have another full petition, again from Regina — one signature from Moose Jaw, and one from Lajord, Saskatchewan, and one from Pense. Both Lajord and Pense, as you know, are just outside of Regina. On behalf of these people I table this petition for our consideration.

I have another full petition, Mr. Speaker, a signature from Odessa, a signature from Lumsden, one from Pilot Butte, the balance from the city of Regina. On behalf of all of these people who took the time to sign the petition and on behalf of the person who collected the signatures, I'm proud and honoured to table this petition today.

Mr. Speaker, I have yet again another full petition with the same prayer, primarily from Regina, the city of Regina, with a signature from Lumsden and one from Findlater. On behalf of these people, Mr. Speaker, it is my pleasure to table this petition to the Legislative Assembly. Thank you.

Mr. Speaker, I have again a full petition of signatories with the same prayer. These people are from Regina, exclusively from Regina. And on behalf of the great and growing number of people who have signed this petition, it is my pleasure to table the petition today.

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

**Mr. Trew:** — I have, Mr. Speaker, again another petition with the same prayer. Again the people are from Regina. And on behalf of this petition full of people, it is my duty and pleasure to table this petition today.

Mr. Speaker, the list of petitioners with same prayer obviously grows and grows. This is the last petition on this matter I will present today. And I'm pleased to note again a full page, 24 names — this time signatories from Moose Jaw, from Big Beaver, from Turtleford, Melville, White City, and Regina. It has been my distinct honour and pleasure to present these petitions this day.

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

**Mr. Trew:** — Mr. Speaker, in keeping with your ruling and desire to present petitions, I have a:

. . . petition of the undersigned residents of the province of Saskatchewan humbly sheweth:

That the Provincial Government does not have a mandate from the people of Saskatchewan to impose the major tax increase which would result from its proposed provincial GST.

Wherefore your petitioners humbly pray that your Honourable Assembly may be pleased to urge the Provincial Government to stop the provincial GST until the people of the province have an opportunity to pass judgement on it in a provincial election.

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

**Mr. Trew:** — Mr. Speaker, I have a list of 20 signatories from Walsh Acres in Regina, from Cupar, from Uplands area of Regina, and a signatory from Saskatoon. On behalf of these 20 people, I am honoured to present and table this petition today.

Mr. Speaker, I have a petition again with 20 names, same prayer as the previous petition. This time the signatories are from Clavet, Dundurn, Saskatoon, and Wishart. Mr. Speaker, it is my pleasure to table these 20 signatories today.

I have another petition with the same prayer, Mr. Speaker. This time the 20 signatories come from Arborfield, Tisdale, Star City, Gronlid, and Melfort. And on behalf of these 20 signatories it is my pleasure to table this petition today.

Mr. Speaker, I have a petition with the same prayer, this time from the city of Regina — some from Uplands, some from the south-east part of the city, one from Walsh Acres in Regina, and one from Silton, Saskatchewan. On behalf of these people who took the time to sign the petition, it is my duty and pleasure to table the petition.

Mr. Speaker, I have a petition this time from the Walsh Acres area of Saskatchewan, from Argyle Park in Regina, from the south-east part of the city of Regina, and a couple of signatories from central Regina. Mr. Speaker, on behalf of these petitioners, I table the petition.

I have two more petitions I wish to present today, Mr. Speaker. This second to last one comes from Saskatoon

and Dundurn, the vast majority of signatories being from Saskatoon. It is my pleasure on behalf of these signatories to the petition to table the petition today.

Mr. Speaker, the final petition I have is from the city of Regina and a signatory from White City. On behalf of these petitioners it is my pleasure to again table this petition opposing the provincial GST until after the election. Thank you, Mr. Speaker.

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

**Hon. Mr. Hodgins:** — Thank you very much, Mr. Speaker. I would again ask leave of this Assembly to move directly to Bill No. 61.

**An Hon. Member:** — Mr. Speaker, if I could on a . . . get a point of clarification from the minister. I don't think there's any rule that applies to this, but I just wonder is the minister saying . . .

**The Speaker:** — Order, order, order, order. I believe perhaps to make it proper, you should ask leave and then we could proceed. If you would do that.

**Mr. Lingenfelter:** — Thank you, Mr. Speaker. I just ask leave to get a point of clarification from the minister. My understanding is that the minister, the Government House Leader, is offering to go directly to Bill 61 and bypass the motion that would deal with time allocation?

**Hon. Mr. Hodgins:** — Yes, Mr. Speaker, that is correct. And my thinking is that it's time we just get on with Bill No. 61. We were very pleased with the very famous debate that took place in this city of Regina last night. And, Mr. Speaker, based on the debate that took place there, it's now time to debate that Bill in this Assembly.

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

**Mr. Lingenfelter:** — Mr. Speaker, with that commitment from the Government House Leader, our caucus offers to give leave and also we very much appreciate the fact that we now are allowed to debate Bill 61. The only thing that I would say is that we should have been doing this two weeks ago, but two weeks later is better than nothing.

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

Leave granted.

## GOVERNMENT ORDERS

## ADJOURNED DEBATES

## SECOND READINGS

### Bill No. 61

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that **Bill No. 61 — An Act to amend The Education and Health Tax Act (No. 2)** be now read a second time.

**Mr. Hagel:** — Thank you very much, Mr. Speaker. Mr. Speaker, it is my pleasure to stand in this Assembly on

behalf of the people of Saskatchewan who declare a victory over the repressive PC (Progressive Conservative) government by being able to allow the debate on this repressive tax to occur again, starting today.

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

**Mr. Hagel:** — Mr. Speaker, this is the point that we should have been at two weeks ago. This is the point that the PC government has prevented from occurring by day after day after day insisting that this Bill could not be debated without limiting it to five hours. Mr. Speaker, it is time for the people of Saskatchewan to be heard in this their Legislative Assembly.

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

**Mr. Hagel:** — And, Mr. Speaker, on behalf of the members of this Legislative Assembly, and I think on behalf of both sides of this Legislative Assembly, I want to say thank you to those thousands upon thousands of people who have signed petitions all across the province of Saskatchewan, expressing their view that this government does not have the right to introduce this tax without the mandate and that it must, it has a moral obligation, to seek a mandate with this tax by calling a provincial election so that the people can decide.

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

**Mr. Hagel:** — And, Mr. Speaker, this is clearly a day of victory for the people of Saskatchewan and for democracy. The people of Saskatchewan have spoken, Mr. Speaker, and I'm very pleased to note that the Legislative Assembly, that both sides of the Legislative Assembly, that the government side of the Legislative Assembly has heard the message that the people of Saskatchewan must be heard.

Now, Mr. Speaker, I stand on behalf of my constituents, on behalf of the constituents of Moose Jaw North and I believe, Mr. Speaker, on behalf of the large majority of Saskatchewan people — I stand firmly opposed to the government's provincial goods and services tax proposed in Bill 61.

And, Mr. Speaker, I stand opposed for a large number of reasons — a large number of reasons. When I go door to door in my constituency, Mr. Speaker, and I talk to people across this province of Saskatchewan, I sense that there is a mood. There is a mood which prevails in this province. It is a mood, Mr. Speaker, which I can describe only as anger, anger which is bordering on a sense of despair. Frustration reigns supreme in the province of Saskatchewan today, Mr. Speaker, because the people of Saskatchewan are feeling that their wishes, their will, is not being heard by their government in the province of Saskatchewan.

And I want to make the case today, Mr. Speaker, in my presentation to this Assembly on behalf of my constituents, that the goods and services tax is not required to be passed in this Legislative Assembly.

Mr. Speaker, in the time that I am allotted in this Assembly to debate . . . and I'm pleased to note that I will not be

limited, Mr. Speaker, in making my remarks, that I will be able to give full and free debate in this Legislative Assembly. Mr. Speaker, I am going to be addressing this Bill and I will be making eight points, Mr. Speaker, as to why I oppose the provincial goods and services tax.

In the time, Mr. Speaker, that is before us in my debate in this Assembly, I will be making the case, number one, Mr. Speaker, that the provincial goods and services tax is unnecessary. This government had other choices and it can make other choices. It does not need the provincial goods and services tax.

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

**Mr. Hagel:** — I will be making the point number two, Mr. Speaker. I will be making point number two, the provincial goods and services tax is unfair, that it is philosophically unfair. It is not progressive. It does not measure the criteria, pass the criteria of progressiveness in taxation, Mr. Speaker; that the goods and services tax is unfair.

And number three, Mr. Speaker, in my address I will be making the point that the provincial goods and services tax is in fact counter-productive. Not only does it not achieve what this government says it is intended to achieve, Mr. Speaker, but in fact the goods and services tax itself will become and has already become an economic deterrent in the province of Saskatchewan.

And fourthly, Mr. Speaker, I will be making the point in my address that the provincial goods and services tax was ill conceived; that it lacks analysis, the defence of proper economic analysis. And it makes predictions, Mr. Speaker, about the benefits, the so-called benefits, according to the government, without any attempt to support those in this Legislative Assembly or elsewhere, Mr. Speaker.

That number four, the goods and services tax is ill conceived.

Fifthly, Mr. Speaker, I will be making a point in my debate that the provincial goods and services tax is legally questionable. I will want to make some comments, Mr. Speaker, in making that point, as to the way that this tax was introduced in the province of Saskatchewan. And I will also be making the point to this Legislative Assembly, Mr. Speaker, contrary to the arguments of the Minister of Finance, that normality is not the case in Saskatchewan right now, and that in fact the government does not enjoy the confidence of the Legislative Assembly, as is normally the case when introducing taxes and imposing taxes before they are legally passed.

Number six, Mr. Speaker, I will be making the point in my debate that this tax has been introduced to the people of Saskatchewan as part of a despicable, a despicable political agenda of the PC government; that it is part of a despicable strategy that is intended to drive a wedge between rural and urban Saskatchewan for partisan, political gain prior to an election.

And number seven, Mr. Speaker, I will be making the case that the PC government introduced the provincial goods

and services tax without a mandate. And that is clearly the point, Mr. Speaker, that those whose petitions have been read in this Assembly over the last two weeks have been making. I will be making the point, Mr. Speaker, that it has been introduced not only without a mandate, but in direct contradiction, in violation, of commitments made at election time by the PC Party. And I will be making the case, Mr. Speaker, that it can be introduced with a mandate, and a mandate can be earned by calling a provincial election.

And eighthly, Mr. Speaker, and perhaps most importantly, perhaps most importantly, the first seven items that I've referred to, Mr. Speaker, in outlining my address are items that could fall into the topic, I suppose, of political analysis or political debate. But very clearly, Mr. Speaker, as I go door to door in my constituency and talk to my own constituents, and I think not inconsistent with the feelings of people all across Saskatchewan, the fact of the matter is, Mr. Speaker, that Saskatchewan people simply cannot afford the provincial goods and services tax. Saskatchewan people are feeling that they are taxed out; that they are taxed to the limit. And, Mr. Speaker, I say that it is not an option for a democratic government to introduce a tax when the people of Saskatchewan very clearly say that they cannot afford the tax.

And so, Mr. Speaker, I've outlined to you the eight points that I want to make in my address here this afternoon in opposition to the Bill 61, the government's introduction of their provincial goods and services tax.

Well, Mr. Speaker, let me — after having outlined what I intend to cover in my debate — now proceed through those points and to enter on to the record in this Assembly, Mr. Speaker, my arguments contrary to the provincial goods and services tax and to deal with them in order.

First of all, Mr. Speaker, I say that the provincial goods and services tax in Saskatchewan is unnecessary.

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

**Mr. Hagel:** — Mr. Speaker, I say this government had other choices. It's interesting that when that budget document produced by the Minister of Finance in this Assembly was tabled some several weeks after the provincial goods and services tax was first announced, and three weeks after it was actually implemented, that he introduced it with a document called *CHOICES*.

Well, Mr. Speaker, how appropriate that was, because in many ways that is crucial to the issue here before us. I say this government had choices; it had other choices. It could have dealt with its patronage. It could have dealt with its cabinet travel. It could have dealt with its foolish spending. It could have re-evaluated its resource revenues being realized. And, Mr. Speaker, it could have given the people of Saskatchewan a sense of hope, a sense of optimism, a sense of encouragement about the future of the economy of our province. Instead, Mr. Speaker, it gave us none of those. What they said is people of Saskatchewan are going to have to dig deeper into their pockets, that we had no choice.

Well I say, Mr. Speaker, that is blatantly wrong. It is blatantly incorrect. They did have a choice. They chose the provincial goods and services tax. And I think, Mr. Speaker, given a chance to exercise judgement, the people of Saskatchewan will choose not to have anything more to do with the political party that introduced the provincial goods and services tax.

Well let me speak to those more specifically, Mr. Speaker. I'll refer to the fact that this government seems to have spent a fair amount of its money, seems to have spent a fair amount of its money in foolish ways.

**An Hon. Member:** — This is the worst speech I've ever heard.

**Mr. Hagel:** — Well the Minister of Finance says that this is the worst speech he's ever heard. I say, Mr. Speaker, it is a victory for the people of Saskatchewan that there is a speech that is able to be heard in this Legislative Assembly.

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

**Mr. Hagel:** — And, Mr. Speaker, I have to bring to the attention of this Assembly as well, the Minister of Finance likes to speak from his seat. Perhaps that's because when he gave his address on budget night in this Assembly, it did not meet with the favour of the people of Saskatchewan. He . . .

**The Speaker:** — Order, order, order. Order. Number one, I would like to ask the Minister of Finance to stop interfering. Number two, I would like to ask the member for Moose Jaw North and other members who will follow him to not refer to the presence of members in the House, even though some member may slip and make a comment from his seat. I think debate will function more smoothly if we all follow that rule.

Order, order, order, order. Just allow the debate to function smoothly. I think that if we all co-operate, this debate could carry on.

**Mr. Hagel:** — Thank you very much, Mr. Speaker. I will resist the urge to comment any further on the matter with which you just arose, and I appreciate your ruling.

Mr. Speaker, we can all ask ourselves, and I think the people of Saskatchewan are asking themselves too, at this time in which we're faced not only with the introduction of a very unpopular — a very painful, I think, is not an overstatement expression — tax, but also, Mr. Speaker, at a time in which we are by law, by Canadian constitution, within five months of being required to go to the polls in an election, we have to ask ourselves, Mr. Speaker, and I'm sure people of Saskatchewan are, just how is it that government should ought to be run.

Clearly in the time that I've been in this Assembly, if there's anything that I've seen increase in terms of public awareness and public concern, it has been an increase, Mr. Speaker, in the attention of people across Saskatchewan to focus on the fiscal management of the Government of Saskatchewan, of their government. As

taxpayers and citizens of the province, are they receiving value for money, value for their taxes? Are we receiving value for the revenues of the province of Saskatchewan in its many sources, many of which are not taxes on people?

Well, Mr. Speaker, I think if we were to conduct a serious discussion and ask the people of Saskatchewan and ask the members of this Assembly, what is the most expensive way that you can possibly run government — give me the plan; tell me the most frivolous way that you can spend the taxpayers' money and you can get the least return for the highest expenditure — you know what the plan would be, Mr. Speaker? They'd say, run a patronage government. Pay your friends lots of money to do a lousy job so that . . . a lousy job which can either then be left undone or you can pay somebody else some more money to do all over again.

Mr. Speaker, a patronage government is something that we have been getting for these last several years in the PC government here in Saskatchewan. And is it any wonder that the people of this province are feeling cynical about politicians, about politics, about government when they see with their own eyes what is happening to the money, how the money is being spent, their hard-earned tax dollars are being spent, along with all those other revenues that the government realizes?

I want to draw the attention of the Assembly, Mr. Speaker, to an editorial which was written in *The Estevan Mercury*, in August of last year — an editorial and an article entitled "Patronage Pain". This is an editorial written by the newspaper in the home riding of the Premier of Saskatchewan. And I quote directly from that article, Mr. Speaker. It says in part, and I quote:

Patronage appointments escalated to a new high last week when former Conservative MLA received an early Christmas present.

Larry Birkbeck of Moosomin received a 10-year appointment to the Saskatchewan Municipal Board at a starting salary of \$57,820. The appointment was made through a cabinet order (a cabinet order, decision of cabinet) released publicly on July 31.

And the editorial goes on to say, Mr. Speaker:

While Birkbeck's appointment has gone beyond the normal limit, since most are a few years, there have been notable others made recently as well. For example, two former cabinet ministers, Graham Taylor and Bob Andrews, have also received a healthy payoff for their faithfulness to the party over the years.

One has to kind of wonder, Mr. Speaker, when you look at the experience of the PC Prime Minister in Canada, who has the ability to make his patronage appointments to the Senate, one has to wonder why it is that it's the Liberal party of Saskatchewan that's proposed a Saskatchewan senate, and not the PC party. Because clearly this is the PC version of appointments to a Saskatchewan senate, if we had one.

Well Mr. Speaker, it goes on to say this:

Taylor was appointed to the trade office in Hong Kong and Andrews to the trade office in Minneapolis. (And we're all aware of that and again I quote.) If you add up these three appointments, they alone are costing the Saskatchewan taxpayers over \$250,000 a year.

Two hundred and fifty thousand dollars a year for cushy appointments to Larry Birkbeck and Graham Taylor and Bob Andrew, who no one would deny are anything other than strong PC partisans, obviously — they all represented their constituents in this Assembly — and who went on to the great beyond after their life in this Assembly, Mr. Speaker, at a cost to taxpayers, of \$250,000 a year.

(1445)

But Larry Birkbeck and Graham Taylor and Bob Andrew aren't alone, Mr. Speaker when it comes to taking care of the great . . . one can't say the great unwashed, Mr. Speaker, but to those friends of the PC government.

Mr. Speaker, if I may refer just, just to some friends of the PC government who are former members of this Assembly who are being taken care of, who have been taken care of just quite comfortably, Mr. Speaker, by their PC government.

You see, it is false to say — some would say — that nobody has benefitted in the PC government years. I disagree with that argument, Mr. Speaker. The fact of the matter is, some have been very well taken care of in the PC government years. However one of the things that many of them have in common is that they carry PC blue membership cards, and in fact many of them sat in chairs in this Assembly.

Well, Mr. Speaker, we've seen the experience from this PC government, some financial support for defeated PC cabinet minister, Paul Schoenhals. He went from this Assembly to become the first full-time chairman of the Potash Corporation of Saskatchewan.

And we saw defeated PC cabinet minister Gordon Dirks, who received a consulting contract with the Department of Education in 1986-87. Defeated PC cabinet minister Tim Embury, he also turned from a cabinet minister to a consultant whose brilliance just couldn't be overlooked by the Government of Saskatchewan in 1986-87. And defeated PC cabinet minister Sid Dutchak.

Mr. Speaker, these folks seem to be . . . they fall by the wayside from the Assembly, and then up they pop into some contract supported by the PC government and paid for by the taxpayers of the province.

Sid Dutchak, of course, was the interim president of the Saskatchewan Housing Corporation in 1986. And defeated PC cabinet minister Louis Domotor, he was a special projects co-ordinator for the Property Management Corporation. Now, Mr. Speaker, the Property Management Corporation is not internationally renowned for its special projects, and I suspect that he

had a pretty creative job description.

Well former PC cabinet minister Paul Rousseau, he went from Saskatchewan to become the agent-general in London, England, Mr. Speaker. And former cabinet minister Gordon Currie is the board chairman for the youth treatment centre. And former PC MLA (Member of the Legislative Assembly) for Moose Jaw North, Keith Parker, moved to the Liquor Board and from there to Tourism. And former PC MLA Ralph Katzman has been serving as special assistant to the minister for the Department of Highways.

Well, Mr. Minister, these former PC members seem to have done not badly at the expense of the taxpayers, as part of a patronage plan for operating government. But the patronage goes beyond those who served in this Assembly, Mr. Speaker — former president of the PC Party of Saskatchewan, George Hill, now the president of SaskPower, with responsibility for Rafferty and the privatization of SaskPower and other matters.

And the PC campaign manager in Saskatoon Eastview by-election, Don Morgan, now the chairman of the Legal Aid Commission. And Gary Lane's former political chief of staff, Bill Wheatley, the senior vice-president for Investments Corporation of Saskatchewan.

Well it's gone not only, Mr. Speaker, to those who were active in support of the PC Party, but they take care as well, Mr. Speaker, of their defeated members of parliament. Defeated PC member of parliament John Gormley, who was a senior advisor of policy communications with the department of privatization.

Well, Mr. Speaker, the list goes on and on, but I'll stop there. Those are some of the high-profile people that people across the province of Saskatchewan can recognize — can recognize very clearly as patronage appointments, blatant patronage appointments from their provincial government.

And so, Mr. Speaker, I say, I say there is another way of raising revenues. There is another way. There is another way of cutting costs, and one of the ways of cutting costs is to get rid of the patronage from the province of Saskatchewan.

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

**Mr. Hagel:** — Well, Mr. Speaker, it's not only through patronage that money has been wasted frivolously, needlessly, aimlessly, over these last years in the province of Saskatchewan.

Mr. Speaker, I remember some years ago there was a little quip going around the province of Saskatchewan. People of Saskatchewan were saying, Mr. Speaker, if you haven't had a holiday for a while, if you hadn't had a trip for a while and you want to see the world, then the way to do it, Mr. Speaker, is to join the PC cabinet.

Mr. Speaker, I think some of the most used pieces of luggage in the province of Saskatchewan belong to the ministers opposite who have, Mr. Speaker, they have seen the world.

An Hon. Member: — They've got stickers on top of stickers.

**Mr. Hagel:** — Well, Mr. Speaker, that's right. As my colleague says here, some of them are all stickered out. Their luggage has doubled in weight because of the stickers that are stuck on the thing, Mr. Speaker. And they have seen the world, Mr. Speaker.

Mr. Speaker, I have in front of me, I have in front of me just a small list of some of the places that the PC cabinet have gone to see on behalf of the people of Saskatchewan.

**An Hon. Member:** — They've got the trips and the taxpayers . . . (inaudible) . . .

**Mr. Hagel:** — Well as the member from Regina North West says, they got the trips and we got the bill, and ain't that the truth, Mr. Speaker.

Let me just run through these, Mr. Speaker. And for those who may be taking in these proceedings either on television or reading *Hansard*, Mr. Speaker, let me ask if anyone in . . . well there may be some in this Assembly, Mr. Speaker, but let me ask if anyone in Saskatchewan got a postcard from any PC member and any PC cabinet minister who's been to any of these points around the world.

Well, Mr. Speaker, where have they been spending taxpayers' money to visit on behalf of the people of Saskatchewan? And I'm referring to places that have been travelled to by our Premier and by the PC cabinet ministers.

Mr. Speaker, on behalf of the people of Saskatchewan, our cabinet has travelled to Reno. I suspect they may have been doing a little investing there, Mr. Speaker, and taking care of some investment decisions.

Not only that, Mr. Speaker, for the people of Saskatchewan, they've gone to Paris — they've gone to Paris. And they've been to London, Mr. Speaker. I don't know if they've been to London to see the Queen or not, but they've been to London.

And they've gone to Brussels and they've gone to Geneva and they've gone to Tokyo and they've been to Honolulu. They've been to Honolulu on behalf of the people of Saskatchewan. In fact if I remember correctly, before my coming to this Assembly the former minister of Highways went to Honolulu on a very important trip to consult with those who construct highways in this province. And if I remember correctly, Mr. Speaker, he said he was so busy at that convention he didn't have time to sleep.

Well, Mr. Speaker, we do have to admire the dedication of the PC cabinet ministers and Premier who have travelled the world on behalf of the people of Saskatchewan.

Well, Mr. Speaker, not only have they gone to all of these places, they've been to Athens on our behalf. And they've been to Phoenix and they've gone to Helsinki and they've been to Miami; they've been to Seoul.

Oh, the Minister of Rural Affairs — he probably is perturbed — maybe he would like to offer some destinations that I have not yet reached, referred to, that he's been to. And I'm sure that all the members opposite will want to put these on the record, just so the people of Saskatchewan understand where you've travelled on their behalf in the interest of conducting government frugally and responsibly and responsively in the interests of the people of Saskatchewan.

Well, Mr. Speaker, they've also gone to Denver for us, and they've been to Moscow on behalf of the people of Saskatchewan. And they've been to Zürich and they've been to Vienna and they've gone to Berlin and they've been to Amsterdam; they've been to Sao Paulo and Palm Springs. They've even gone to Singapore and Rio de Janeiro and New Delhi and Brasilia.

Well, Mr. Speaker, the list goes on and on, but I think we get the idea. The PC cabinet and the Premier of Saskatchewan have travelled the world. They've seen the world for all of us. And, Mr. Speaker, I say it is a shame that they got the trips and the people of Saskatchewan got the bill.

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

**Mr. Hagel:** — Well, Mr. Speaker, it can be said as well that they've made the occasional expenditure here in the province of Saskatchewan which would strike many people of Saskatchewan as a bit on the silly side.

It's kind of interesting, Mr. Speaker. There are some examples that I was part of, some presentations around the province of Saskatchewan earlier this year, when the New Democrat caucus toured the province of Saskatchewan in response . . . presenting some information in response to a question that the people of this province have been asking all across the province for some time. People of Saskatchewan were saying: where has the money gone? Well, Mr. Speaker, that is an important question and one I'm addressing right now, and it's gone some other places as well.

Quite interesting too, Mr. Speaker, that at one of those presentations the Minister of Finance actually appeared. He came to find out where the money has gone, and was told where the money has gone. Not only that, Mr. Speaker, he was given an opportunity at that meeting to dispute any of the information, and he chose not to. And so one can only assume, Mr. Speaker, that the information being presented is not only accurate, it is accurate in the mind of the Minister of Finance.

It was at those meetings as well, Mr. Speaker, that an important commitment was made on behalf of the New Democratic Party caucus to the people of Saskatchewan in response to the question: where has all the money gone?

The commitment that was made was this: is that one of the first acts of a new New Democrat government, if the people of Saskatchewan should choose to give us a mandate following the next election, one of the first actions of a New Democrat government would be to open the books, to open the books — an independent



audit to review the expenditures of the Government of Saskatchewan and to let the people of Saskatchewan know, not just the elected members of Saskatchewan, but to let the people of Saskatchewan know, where the money has gone.

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

**Mr. Hagel:** — Well, Mr. Speaker, and from that there would be decisions made as to where we go from there. But let me just bring to the attention of this Assembly — in response to the concerns of those people in our province who have said, where have my tax dollars been going — well they've been going to patronage, they've been going for trips for cabinet ministers and the Premier. Are they going anywhere frivolous, Mr. Speaker?

Well one of the things that we note, Mr. Speaker, is an expenditure of \$17,423 in expenses run up by the Premier's office at Regina's Hotel Saskatchewan in just one year. No explanation, \$17,000 in expenses by the Premier's office at the Regina Hotel Saskatchewan. I don't think he's been staying there overnight, Mr. Speaker, so one kind of wonders what that's all about.

And then, Mr. Speaker, an expenditure of \$64,253 paid to the British merchant bank N.M. Rothschild & Sons for two months of privatization consulting. Let's just reflect on this for a moment, Mr. Speaker. There would be many people in this province, myself included, who are of the view that \$1 spent on two months of privatization consulting is a dollar foolishly spent. But, Mr. Speaker, this was not \$1 for two months of privatization consulting, this was \$64,253 for two months of privatization consulting. That's not bad, Mr. Speaker; 32,000 a month ain't bad money.

Remember what I said before, Mr. Speaker. You want to run government the most expensive way possible, you do it through patronage. You pay your friends big bucks to do a lousy job which is either left undone or done over by people who know what they're doing — \$64,000 for privatization consulting.

Mr. Speaker, obviously a plan that not even this government . . . although a year ago they said this was the central theme of their economic plan for Saskatchewan, they said. Oh, they said, this is going to be the political Waterloo for the NDP (New Democratic Party) they said, because we've got the economy in firm grip. We know where we're heading; we're charging bravely forward into the future, they said. And we're going to do it through privatization; that's the way it's going to be done.

And just to make sure that they were doing it right, Mr. Speaker, they paid somebody to come from Great Britain, \$64,000 for two months to tell them what to do.

(1500)

Well, Mr. Speaker, the people of Saskatchewan told them what to do with privatization. The people of Saskatchewan told them. And now, Mr. Speaker, here we are, 1991, and the months before a provincial election, you can't get them to utter the P-word. Privatization has become the P-word. They won't even mention any more this brave,

bold, new, world that was going to cure everything that ails us here in the province of Saskatchewan.

**An Hon. Member:** — Is there a minister in charge any more?

**Mr. Hagel:** — And so, Mr. Speaker, you have to ask . . . well the member asks, is there even a minister of privatization any more? The answer is no. There is not even a minister of privatization.

Let's just put this into context. We had a minister of privatization who said that the best way to do anything was in the private sector and he was in charge of transferring everything to the private sector, out of the public sector, that he possibly could. And he retired from this Assembly.

Well surely, Mr. Speaker, this minister who believes that nothing could be done anywhere near as well in the public sector as the private sector, surely when this minister of privatization resigned from this Assembly, he got himself a job in the private sector. Surely that's true. Did he?

Well he's got himself a suite in Hong Kong now, Mr. Speaker. He's got himself a suite in Hong Kong with a great big fancy office being paid for by the people of Saskatchewan. The minister of privatization.

Well, Mr. Speaker, they paid \$64,000 for two months of consultation to tell them how to do privatization. Mr. Speaker, for nothing, for absolutely nothing, they got advice from the people of Saskatchewan that they should ought to undo privatization. And I say they got better value for their money from the people of Saskatchewan.

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

**Mr. Hagel:** — Well, Mr. Speaker, the list goes on. We are now in the habit in this province of paying \$1.9 million a month for pre-election government advertising.

Now some would like us to believe that this pre-election government advertising — that it's costing the people of Saskatchewan nearly \$2 million a month — is absolutely necessary for the dissemination of information. And they would ask us to believe that it is pure coincidence, pure coincidence that when Department of Agriculture ads are displayed on TV or in print with that waving flag up in the corner, and the fact that it looks exactly, exactly like the little flag that's up in the corner of the PC Party ads, that that's pure coincidence. It's got nothing to do with the fact that these are, by Canadian Constitution, the final months before an election. This is not pre-election advertising, they tell us. This is strictly for the dissemination of information, and we have to spend \$1.9 million a month of the people's money to let them know.

Well I say, Mr. Speaker, the people of Saskatchewan know all they need to know, and this government can reduce that expenditure to zero in order to respond to the desire of Saskatchewan people to know what they need to know in order to make a decision, come the next election.

Well, Mr. Speaker, I referred earlier as well to Paul Rousseau, the agent-general in London. Not only did we

send good old Paul to London, we sent him a Citroën. His own little car for \$27,000 — \$27,089 for Paul's private Citroën. We don't want Paul walking around the streets of London, Mr. Speaker, at night like the common folk. He should ought to have his own little Citroën for over \$27,000 compliments of the people of Saskatchewan.

Well, Mr. Speaker, I know that the members opposite won't want me to make reference to the G-word here, Mr. Speaker, but let me just make reference to an expenditure related to GigaText.

Well, Mr. Speaker, for an executive of GigaText, the people of Saskatchewan coughed up \$137,500 for a luxury condominium — for a GigaText executive. Lots of people, Mr. Speaker, in Saskatchewan don't live in \$137,500 dwellings. And I think . . . I find it a little distasteful that this amount of money is being spent from their tax dollars for a GigaText executive.

And GigaText executives, Mr. Speaker, well they should ought not to only live in luxury condominiums, they ought to have their own fancy cars, and so surely the people of Saskatchewan would not object to \$1,083 per month, per month . . .

**The Speaker:** — Order, order, order. Why is the hon. member on his feet?

**An Hon. Member:** — I'd like to make a point of order, Mr. Speaker.

**The Speaker:** — What is your point of order?

**Hon. Mr. Hodgins:** — My point of order, Mr. Speaker, refers to relevancy in a debate, and the hon. member opposite is talking about a computer company called GigaText. We've waited for some time to have this debate. Now that we're having it, Mr. Speaker, I think it would be fair and reasonable that members opposite stand in their place and speak to the issue of the Bill. And I don't think that that was entirely relevant or perhaps not at all relevant — the comments of the hon. member opposite.

**An Hon. Member:** — Point of order. I'd like to speak on the point of order.

**The Speaker:** — The member for Saskatoon Westmount.

**Mr. Brockelbank:** — Yes, Mr. Speaker, I want to add to the point of order that's been . . . the alleged point of order raised by the House Leader.

The Bill is clearly about obtaining revenue and how that revenue would be expended, and the member I think clearly is relating how the government record has been established with regard to spending of revenue. And that is clearly in order when you're discussing the passage of a very large tax Bill in the province of Saskatchewan. So I would assume, Mr. Speaker, that persons would be led to conclude that the member's comments are quite in order.

And I've been listening to the member quite closely and the member is relating them to the expenditure of taxpayers and to Bill 61, which is before us at this time.

**Mr. Hagel:** — Mr. Speaker, on the point of order, in response to the member, I simply remind you, Mr. Speaker, when I stood to my feet I outlined eight points that I would be addressing, in order. You may have noted them, Mr. Speaker, and I'm sure if he's interested in debate, the Government House Leader may have done the same and that I would be . . . I outlined those in advance, Mr. Speaker, and then indicated that I would address each of them individually. And I'm now on my first point, that my belief that the provincial GST (goods and services tax) is unnecessary, that the government had other choices.

I won't take the time of the House to repeat the other seven points, Mr. Speaker, but clearly in my view — and I will respect your ruling, Mr. Speaker — the debate continues to be on topic as outlined at the beginning of the speech.

**The Speaker:** — I've listened to the hon. member's point of order. Let me speak to the point of order in this way. We have had some considerable debates in the past. We are now on Bill 61 after waiting a considerable time to debate this very important Bill. Of course because of the present circumstances, hon. members will be paying close attention to the contents of remarks of hon. members on both sides of the House.

I believe that that being the case, let me just say this: in order to facilitate the smooth and the efficient conduct of the debate, I would just bring to all members' attention the fact that they should stick to the topic of the Bill in their remarks. I believe that in this case, yes, it could be said the hon. member was on topic. However, having said that I believe hon. members should be careful not to draw long bows, as they know they can do. And debate the Bill; I think this is your opportunity.

**Mr. Hagel:** — Thank you very much, Mr. Speaker, for your ruling. And, Mr. Speaker, I trust that it is, from your ruling, in order to continue with some description — although I'm nearly done this point — but, Mr. Speaker to continue with some reference to other choices that the government had instead of inflicting the provincial goods and services tax on the people of Saskatchewan in Bill 61. Clearly there were other choices.

This is part of . . . I can understand, Mr. Speaker, I clearly understand why members opposite find it frustrating to listen to a list of unnecessary expenditures. Unfortunately, Mr. Speaker, the list is long. I didn't create the list, Mr. Speaker. The members over there created the list by their experience day after day and week after week and year after year in the office of government. I don't apologize for the list being lengthy. I think the people of Saskatchewan are owed an apology by the Government of Saskatchewan, by their PC government, for the fact that the list is lengthy.

Well, Mr. Speaker, let me make reference to just one other item which may be annoying to the members opposite. I understand that and will listen very carefully when they enter into debate. I'm not sure that the people of Saskatchewan consider it to have been a wise expenditure on the part of their government to see

\$182,620 for salary and separation payments for the Premier's deputy minister, Norman Riddell, when Mr. Riddell left Saskatchewan, Mr. Speaker — left Saskatchewan to go to work for Premier Bourassa in Quebec.

He had a job here in the Premier's office. He resigned his job here, Mr. Speaker, to go work for the Premier of Quebec. Now, Mr. Speaker, I think that's his privilege. If he doesn't like working for the Premier of Saskatchewan, I understand that. But surely, Mr. Speaker, when he chooses then to go to work for the Premier of Quebec, it should not be the responsibility of the people of Saskatchewan to pay him \$182,620 as a going away present. Mr. Speaker, I suspect that the people of Saskatchewan would consider that to be a tad frivolous.

And so, Mr. Speaker, I make the points that there were other choices, in expenditures that could have been cut by way of patronage expenditures and cabinet travel and foolish spending practices.

Well, Mr. Speaker, there's two sides to this balanced book. One is money out and the other is money in. And let me make just the reference, Mr. Speaker, let me make a brief reference to the other side of the coin, to the resource coming in, resource money coming in. I'd like to make reference, Mr. Speaker, to revenues that the province realizes not from payment of taxes by people, but revenues realized by one of our great advantages in this province, from our natural resources.

And I refer the Legislative Assembly, Mr. Speaker, to an article in the Saskatchewan publication *Sask Trends Monitor*, April of last . . . a year ago, Mr. Speaker. The *Sask Trends Monitor*, for those who don't know, is an independent news-letter on economic issues in Saskatchewan. It has, to the best of my knowledge, no affiliations with any political party and makes its money through sale of subscriptions and — I think by most people's judgement, Mr. Speaker — would be seen to be an objective document.

What did they say in April of 1990, Mr. Speaker? Let me quote from an article entitled: "Resource Industry Statistics." They wrote and I quote:

Much of the blame for the current economic situation in Saskatchewan has been laid at the feet of the agricultural sector.

Does that sound familiar? It seems to me we've heard that once or twice from the other side. In fact, it says,

In fact, the decline in our resource industries has been just as dramatic and has had much more of an impact on provincial treasury than agriculture.

And then it goes on to say, Mr. Speaker:

Partly because of the way production taxes and royalties are structured and partly because of the government's policy, the revenue to the provincial government has been falling throughout this period (referring to the period beginning in 1981). In 1981 and 1982, one out of every three dollars of

sales was flowing to the provincial treasury. By 1989, the proportion had dropped to about 12%.

Let's just reflect on that for a moment, Mr. Speaker. We're talking about government policy, government revenues realized from our natural resources. In 1982, out of every dollar, every dollar of sales from our natural resources, 33 cents on that dollar came to the provincial coffers and therefore, Mr. Speaker, replaced the necessity for taxing people.

In 1982 the government of the day said it is better to tax natural resources than it is to tax people, and apologize to nobody for extracting 33 cents on the dollar for the people of Saskatchewan from our natural resources.

But by 1989, Mr. Speaker, what's been happening with these great managers of the provincial treasury? Surely these best business minds of the PC Party, when they came to the Government of Saskatchewan, determined surely to act in the best interests of the province of Saskatchewan; and surely recognizing, Mr. Speaker, that there is nothing in our province more important than our people. That's why we're here. That when you develop your natural resources policies, you do them in such a way that you extract the maximum from your natural resources and the minimum from the people.

(1515)

Well, Mr. Speaker, 33 cents on the dollar in 1982. But in 1989, Mr. Speaker, that had dropped to 12 cents on the dollar. Let's put that into context, Mr. Speaker, in the context of Bill 61 and the PST, the provincial goods and services tax.

What this means, Mr. Speaker, when you combine the federal goods and services tax imposed on the people of Saskatchewan by their PC cousins in Ottawa, with their provincial goods and services tax imposed on clothes, on children's clothes, on April 1 of this year, which Bill 61 intends to put into statute . . . It has been collected now, Mr. Speaker, for some eight weeks — eight and a half weeks — still not in law.

Mr. Speaker, if you are a parent going in to buy running shoes for your child, you will pay 14 cents on the dollar tax for your children's running shoes. But if you were a natural resource corporation in Saskatchewan, extracting non-renewable natural resources from the province of Saskatchewan, you pay 12 cents on the dollar; 14 cents on the dollar people pay for children's running shoes, and 12 cents on the dollar natural resources corporations pay to extract natural resources from under our soils.

Well I ask you, Mr. Speaker, and I ask the members opposite . . . Because I know what the people of Saskatchewan say. People of Saskatchewan say 14 cents on the dollar for running shoes and 12 cents on the dollar for natural resources is not fair. And any party that intends to ram that down the throats of Saskatchewan people deserves to be booted out when they next go to the people of Saskatchewan in a provincial election.

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

**Mr. Hagel:** — Talk about basic injustice in the tax system, that our PC governments in Saskatchewan and Ottawa combined, on food, clothing, and shelter. You know we say we live in society in which the basics are food, clothing, and shelter. And what does this tax in Bill 61 introduce? It introduces a 7 per cent tax, Mr. Speaker, on restaurant food. Food. Granted, not home consumption food, but on food. A tax not there, a new tax.

It says, Mr. Speaker, that, for all clothing. We had an exception, Mr. Speaker, until this tax was introduced on April 1. If you bought clothing under the value of \$300 per article, in fact the large majority of articles ever bought by the large majority of Saskatchewan people, in provincial sales tax, Mr. Speaker, you paid nothing. Clothing.

And then on the heating costs, Mr. Speaker, on the heating costs for homes, an extra 7 per cent . . . (inaudible interjection) . . . Well the member wants to debate this issue, and I will look forward to, I will look forward to your defence. I will look forward to your defence of your government on April 1 moving to add a tax on food, clothing, and shelter. I think, Mr. Member, former minister, the only member on the government side who is not being paid extra money, I look forward to your enter into this debate. And I think it is with a sigh of relief, Mr. Member, it was with a sigh of relief that you know that you will not have to be accountable to your constituents in the next election.

I think it is more than pure coincidence that you have chosen not to run again in the next provincial election. I don't blame you for not running again in the next provincial election.

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

**Mr. Hagel:** — Mr. Speaker, food, clothing, and heating costs of our shelter. That's what this tax has been imposed upon — food, clothing, and shelter. Isn't that socially responsible. Isn't that the responsible thing to do.

And so, Mr. Speaker, I say, I say it is an injustice. It is an injustice to the people of Saskatchewan when we have gone from 33 cents on the dollar for natural resources to 12 cents on the dollar, and when people in this province are paying more in tax on running shoes than natural resource corporations are paying to extract our natural resources. That is a basic injustice in the tax system that is being proposed in Bill 61 before us.

And what does it say . . . and I go back to the *Sask Trends Monitor* article again, Mr. Speaker. It goes on and I quote:

The reduction is almost exclusively in oil royalties and taxes, which fell from 65 per cent of sales in 1981 to 15 per cent in 1989.

Mr. Speaker, in 1981 in this province we said we have been blessed with a natural resource — oil. And the government of the day said we have an obligation to the people of our province to keep down their personal taxes and provide them services by getting maximum return from our oil. And with apologies to no one, 65 cents on the dollar in oil came into the coffers of the province of

Saskatchewan.

But from the first day that the PC government walked into this Assembly and sat on that side . . . I remember the words of the former member from Thunder Creek, the first minister of Energy of the PC government. He said, he stood in his place . . . first time he stood, he said two things — wasn't a statement of hope or optimism he expressed but it told the tale. It forecasted what was to come, Mr. Speaker. He said his only regret was that there was still some NDP members sitting in this House. And then he repeated a theme that his father had said as premier of this province, that he had nothing against American investment. He said his only complaint about it is that we don't have enough of it. That's what he said.

Mr. Speaker, as minister of Energy he began the first day. And it is a policy that has continued under this PC government since, Mr. Speaker — began to reduce the revenues to the people of Saskatchewan from our oil. And was it because the price of oil was dropping? Was that why the royalties were going down? Not on your life.

Mr. Speaker, I remind this Assembly and I remind the people of Saskatchewan that the price of oil did not peak in 1981 or 1982. It was going like that. The price of oil, Mr. Speaker, peaked in 1984, two years after this PC party came to government. But what had happened to the percentage of royalties being realized from oil by that time, Mr. Speaker? Was that going up along with ability to pay? Progressive taxation, the principle of progressive taxation? While the price of oil was going up, the royalties being charged by the PC government to the oil companies were going down, from 65 cents on the dollar in 1982 to 15 cents on the dollar in 1989.

And the article goes on to say, Mr. Speaker:

The combination of the smaller government share of declining revenue base has had a dramatic impact on the provincial treasury.

And I conclude my reference, Mr. Speaker, to this part of my address by quoting directly, by quoting directly from the conclusion to this article in the *Sask Trends Monitor*, and I quote:

Even with the declining prices, had the royalty and taxation levels remained at their earlier levels, the current provincial debt of \$4 billion would simply not exist.

Mr. Speaker, we're not talking about New Democratic Party rhetoric or documents here; we're talking about the *Sask Trends Monitor*, an independent economic news-letter in the province of Saskatchewan, which said that had the policies remained the same, our \$4 billion debt would simply not exist.

Well I say, Mr. Speaker, I say the Government of Saskatchewan, in order to address its fiscal objectives, does not need to stick its hands in the people of Saskatchewan to the extent of 440 million new dollars every year. It didn't need to do that; it had choices. It could have gotten rid of its waste and its mismanagement, its patronage, and its cabinet travel, and its foolish

expenditures. And, Mr. Speaker, they could have gotten a fair return for the people of Saskatchewan from the natural resources that belong to the people of Saskatchewan.

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

**The Speaker:** — Order. We are pleased to have a good number of guests with us this afternoon to listen to this very important debate. However, I would ask you to adhere to a long-standing rule in this Assembly that guests in the Assembly do not participate in the debate. Thank you very much.

Why are you on your feet?

**Mr. Lyons:** — Mr. Speaker, I wonder if I could have leave to introduce some guests at this time.

Leave granted.

### INTRODUCTION OF GUESTS

**Mr. Lyons:** — Thank you very much, Mr. Speaker. I have a few people I'd like to introduce here today to the Assembly. They are some people from all around the province and a few people from outside. And I would like to at this time introduce several of them. First of all I'd like to introduce Mr. Don Garcia. Mr. Garcia is the retiring financial treasurer for the International Longshoremen's and Warehousemen's Union in Vancouver. He's in Regina at this time attending a convention of the Retail, Wholesale and Department Store Union. There's Mr. Ron McClurg. He's also from Vancouver and is a member of the Retail Wholesale Union in British Columbia. As well there's Brian DeBeck, and Brian is as well a leading member of the trade union community, with the Retail Wholesale Union in Vancouver, and Mr. Neil Brooks. Mr. Brooks is a tax expert. He's the vice-president of the Fair Tax Commission set up by the Government of Ontario. He's a professor of taxation law at Osgoode law school in Toronto.

As well as those visitors, Mr. Speaker, I have a number of people here from Regina that I would like to introduce at this time. There's Mr. Vern Abbott, Mr. Cliff Knutson, Dave McCall, Mr. Donald Smith, Mike Van Alstine, Ramona Coghil, Doug Foote, Don Hallam, Mark Hollyoak, Troy Jessop, Susan Latham, Teri McDonald, the Hon. Joe McKeown, the well-known council member here in Regina, Kelly Miner, Laura Moser, Julie Nagy, Susan Parks, Larry Saip, and Paul Guillet.

Mr. Speaker, they've come today, taken time from their busy schedule at convention here in Regina, to observe the historic debate over the PST here in the province. And I'd ask all members, Mr. Speaker, to welcome them to the Legislative Assembly.

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

**Mr. Lautermilch:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's my distinct pleasure today to introduce to you and to members of this House some guests in our gallery, members of RWDSU (Retail, Wholesale and Department Store Union). And I'm pleased to indicate,

sir, that a number of these guests are from my home city. Betty Bruner is with us today, Grace Harding, Mario Hudon, Rupert Parent, Randy Wick, from my home community.

As well there are others — some from the Premier's constituency, Mr. Speaker — Darcy Doerr, from Estevan, Garry Hanson, Lindsay Roy, Sheree Sentes. Other folks that are with them, there's Richard Gregains from Moose Jaw; we have with us Joellann Pister from Rhein, and Doug Markham from Willowbrook. I would ask all members to give them a warm welcome to the Assembly this afternoon. Thank you very much, Mr. Speaker.

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

**Mr. Lingenfelter:** — Mr. Speaker, I'd like to join with my colleagues in welcoming a number of the individuals who are here with us today. And some of them from down in the south-west corner of the province, a fair little distance to come to the meeting today — from Assiniboia, Faith Dayman and Colette Sabourin; and from Swift Current, Neil Collier, Lorraine Forde, Tim Johnson, Adrian Quintin, Bryan Silvester, and Della Zabel. And also from the Weyburn area, Wanda Bartlett, Elmer Ivan, Shawn Stepp, and Garth White.

I'm sure all members will want to join with me in welcoming them here today, and wish that you have a good return home and a good meeting convention that you're here in Regina for.

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

(1530)

**Mr. Thompson:** — Thank you very much, Mr. Speaker. On behalf of myself and my colleague from The Battlefords, I would like to introduce some guests here and welcome them today. And they are Leonard Combres, Angie Laughlin, Colin Lemauviel, and Alex Tkatchuk, all from the Battlefords; and also Jason Bacon from Lloydminster. I'd like all members to welcome this group here today also.

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

**Mr. Brockelbank:** — Thank you, Mr. Speaker. The Retail, Wholesale and Department Store Union is a large union in the province of Saskatchewan, and represents people not only in the urban parts of the province but in small urban parts of Saskatchewan as well. And having been a trade union member myself for a number of years, I take great pleasure in introducing some of our guests here this afternoon.

They are from ... beginning with the rural parts of Saskatchewan, we have Rod Wall from Dalmeny, Diane Melrose from Langham, Sylvester Zaluski from Wynyard, Dianne Wilderman from Wynyard, Tim Bodnar from Wynyard, Mary Kostiuk from Elfros, Gary Burkart from Saskatoon, Joanne Brenner from Saskatoon; and a number from Saskatoon itself: Randy Hoffman, Terry Turner, Tammy Semeniuk, Garry Sears, Linda Reiber, Arlene Penner, Tracy Oleksyn, Eric Nimilowich, Kelly Morrison, and Ken McLean.

I know all members will join with me in welcoming these guests to the Assembly today and wishing them good luck on their convention that they're having in Regina and hope they enjoy themselves today with us. Thank you very much, Mr. Speaker.

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

**Mr. Shillington:** — Thank you very much, Mr. Speaker. I want to join with my colleagues in welcoming the delegates here today. There are far, far too many names from Regina to be read individually. It would be meaningless if I tried to do so. I simply want to welcome the delegates here, express my appreciation for the interest which you have taken in the deliberations of this body, and just simply conclude by saying that we look forward to working with you on this issue and on other issues as they arise in the future. I welcome you to the Chamber.

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

**Mr. Shillington:** — I just want to make one other introduction. You have seated in your gallery an alderman, a councillor of the city of Regina, someone who has consistently led the polls just simply because he has stayed close to his constituents and has listened and has been really an excellent member of the municipal government. I ask you to welcome Joe McKeown.

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

**Mr. Kowalsky:** — Thank you, Mr. Speaker. I want to specifically welcome people from north-eastern Saskatchewan. From Melfort there are people in the gallery here, Doug Harold and Laura Orobko; from Nipawin, Brenda Kott and Carol Scarf; from Mozart, Andy Bucko and Norm Pambrun. And from Yorkton there is a list of about eight or ten people: Edna Brock, Dale Cross, Karen Falcetta, Cyndy Godin, Brenda Kirkham, Cliff Tysowski, Rebecca Mapes, Sid Matsalla, Irene Mayfield, Grant Procyszyn, Myles Wasylkowski, and Shirley Nagy. I welcome them to the Assembly.

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

**Mr. Prebble:** — Thank you very much, Mr. Speaker. Mr. Speaker, through you I'd like to welcome a number of guests in both the east and west gallery, also members of RWDSU. I'd like to introduce two Saskatoon members from local 496, Darryl Foster and Craig Hannah.

And I'd also like to bring to your attention, Mr. Speaker, a number of delegates from local 480 in my home city. They include Brent Aupperle, Kevin Boucher, Stuart Coates, Ben Doucette, Shirley Fehr, Dennis Hicks, Cheryl Iwasiuk, Diane Lacoursiere, Cheryl Lanzer, May Lesser, Bonnie Lewis, Bill McDonald, Kevin Opsal, Ken Spencer, Sal Twordik, Shawna Twordik, Kerry Weibe, and Darryl Foster.

And I'd also like to recognize a member of the delegation who I know well, Larry Kowalchuk, who's not only active with the union but also very active in a group that I have the pleasure to work with on occasion, Equal Justice for

All in Saskatoon. And I'd like to recognize Larry's good work with that group and welcome him here today as well. Thank you, Mr. Speaker.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. I want to join with some of my colleagues today in introducing guests that are in the galleries. It is indeed a tribute to democracy in Saskatchewan that this many Saskatchewan residents would take time from a busy convention to come here to their Legislative Assembly to witness a very historic debate.

Mr. Speaker, the individuals that I would like to introduce all come from Local 454 of RWDSU here in Regina. In advance, perhaps an apology for some of the pronunciations.

And I'd like to introduce to you, Mr. Speaker, and to all members, Chris Banting, Shelley Cassano, Warren Cocks, Maurice Cottril, Debbie Crabbe, Brad Dick, Olga Demytrow, Wendy Ekes, Louise Elsner, Debbie Erick, Wendy Ferguson, Dan Fuchs, Marty Gergely, Barb Hall, Bev. Hillrich, Leonard Klemenz, Art Kurtz, Darrell Lampe, Dave Lozinski, John Mayer, Ken Mayes, and Fran McDermid.

Mr. Speaker, would all members join me in welcoming these guests.

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

**Mr. Koenker:** — Thank you, Mr. Speaker. I too would like to welcome members of the Retail, Wholesale and Department Store Union here today. I have the names of six individuals from Saskatoon — Mark Dziadyk, Lou Lecomte, Sherry Voth, Mike Babi, Annette Duchscher, and Wendy Larmand.

And I want to thank all members of the union for their very important work on behalf of working people across the province.

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

**Mr. Hagel:** — Thank you, Mr. Speaker. If I may join my colleagues in the introductions before proceeding to debate . . . continue debate on Bill 61, I would like to recognize as well here some people who have not been personally introduced from Local 454 of RWDSU here in Regina — Bill McDowall, Mark McInnis, Barry Murphy, Rick Ostlund, Mike Ross, Gord Schmidt, Trevor Shire, and Les Snyder — and join with my colleagues in welcoming these people, as well as all of the members of RWDSU who are involved in your convention, to say how pleased I am to see you see in this building as an important part of your activities in your convention and to wish you every success in your deliberations in your convention, and success in achieving the aspirations that you'll be considering in the hours and days ahead. I very much appreciate you coming by the Legislative Assembly.

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

## ADJOURNED DEBATES

## SECOND READINGS

## Bill No. 61 (continued)

**Mr. Hagel:** — Well, Mr. Speaker, if I may continue in debate on the Bill 61, the Bill to introduce the provincial goods and services tax to the province of Saskatchewan.

Mr. Speaker, I've been making the case so far in my debate that the provincial goods and services tax is in fact unnecessary, that the government, the provincial government, the PC provincial government, had other choices. It could have chosen to cut its patronage expenses, its travel expenses, its foolish spending. I've given many examples of all of those. It could have re-evaluated its resource revenues policies, and I've just finished describing the impact of that.

Mr. Speaker, I would like to also finally — on this subject of addressing my opposition to the provincial goods and services tax on the grounds that it is an unnecessary tax — make a reference to the third part of the picture. It seems to me that there, as I said before, two ways of dealing with balancing the books. One is cutting expenses and the other — unnecessary expenses — and the other is focusing on revenue, and I've talked about natural resources.

But more importantly perhaps, or at least equally importantly, Mr. Speaker, has to be an option that I think was available to the Progressive Conservative government which it also chose not to do. There is another way of increasing your revenue, Mr. Speaker, and in fact increasing your revenue to the province of Saskatchewan from income tax. But it's a way that exists, Mr. Speaker, without having to touch the rate. Mr. Speaker, simply put, if more people are working in the province of Saskatchewan at decent paying jobs, Mr. Speaker, then one of the benefactors of that is the coffers of the provincial Government of Saskatchewan.

Mr. Speaker, I think there are some points that should ought to have been addressed by the PC government that have not been, and that are necessary for any responsible provincial government to look at when responding to one of what I consider — in fact I would say, Mr. Speaker, in my opinion — the single most important responsibility of a provincial government.

I think there are a lot of reasons that the provincial government is important and plays a significant role in the lives of our citizens. But it seems to me that if we have a province in which all of our citizens have opportunity for employment, opportunity for decent employment, secure employment, long-term employment with decent incomes, Mr. Speaker, any provincial government which facilitates that is providing a response to its most important obligation to its citizens. Simply put, Mr. Speaker, not only does it address the cold, callous issue of revenues to provincial coffers, but it also responds to very important human needs that we all have and impacts on the quality of life of our citizens. And quite frankly, Mr. Speaker, in terms of the justice costs and the health costs and the social services costs and so on, Mr. Speaker, in

many ways they are reduced in the most responsible way possible.

Well, Mr. Speaker, it seems to me then any provincial government attempting to act responsibly on behalf of its people, both fiscally as well as humanly responsible, will recognize first of all that there is a connection in its policies and its approach to the economy and employment and education. And it is impossible, it is impossible to consider government's policies and programs and approaches to any one of those three subjects without considering the other two, because they are interconnected and they're intertwined.

Surely the reason for focusing on economy is the desire of the provincial government to facilitate quality employment. And surely you cannot do that without looking at what you're doing to increase the ability of your citizens to obtain education to prepare them to assume employment which has potential, it has future, and it provides hope for them and their families.

So first of all, Mr. Speaker, the policies of the government that's concerned about its income, about its economy, have to also take into consideration its effect on employment and education.

Secondly, it is my view that the economy serves people best when their democratically elected vehicle, their government, is helping to set a positive environment for employment.

And, Mr. Speaker, quite frankly that means that there's an obligation of the government to do some planning. I know that that's a word . . . that is a word that is a little foreign, a little negative in the minds of many of the members opposite. They say, oh my goodness gracious, when you believe in this free-market economy which just charges ahead all on its own, its reckless abandon, that somehow that the elected representative of the people, their government, should attempt to put some method into the madness, is a repulsive thought. Is that not the very essence of their fixation on privatization? It was a belief . . . it was a belief that the best economy is one that just charges along on its own. Survival of the fittest. Dog eat dog. Every man for himself.

Well, Mr. Speaker, it seems to me that that is a reckless abrogation of the responsibility of the government to its people.

(1545)

And so any responsible government . . . You know the wonderful thing about this, Mr. Speaker, is that, you know, if you want to address the fiscal requirements of our province, you don't even have to care about people. Now this should be an added advantage to these guys, Mr. Speaker, because it just so happens that the books of the province are in the healthiest shape when the economy is healthy and when people are working. So you don't even have to care about people in order for this to make sense, for government to intervene in the economy and to lend some direction in the interests of the economy, in the interest of employment stability.

Mr. Speaker, we all have to recognize as well that clearly in our country education is a provincial responsibility. At the end of the day, when the needs for education — and I won't go into detail on that today, Mr. Speaker, — but the access to education . . . when the access to education is being reduced at the end of the day, there is only one body that can be held accountable and that is the Minister of Education and the Premier of Saskatchewan, along with the Government of Saskatchewan.

Mr. Speaker, it seems to me as well — point number three — that any responsible government in the province of Saskatchewan recognizes that we have three very important sectors in the province, and that if the economy of Saskatchewan, Mr. Speaker, is healthy in the interests of our people, then all three — not one, not two — but all three of those sectors, Mr. Speaker, are also chugging along in harmony. As the Leader of the Opposition has said many times, he's referred to them as the three engines of the economy. And I refer, of course, to the private sector and the co-operative sector and the public sector. In our province, Mr. Speaker, a healthy economy means three healthy sectors at the same time.

In our province, Mr. Speaker, the reality is that the private sector is largely family business. That's the reality; that's the Saskatchewan reality. That may not be the Ontario reality, but that is the reality in Saskatchewan. And more than anything else, Mr. Speaker, the private sector in Saskatchewan, the family-business sector looks to the Government of Saskatchewan for some demonstration of a positive atmosphere with which it can function with confidence. I'll come back to that in a moment.

Secondly, the co-operative sector. It has been part of the historic tradition of Saskatchewan, in fact the very essence of the history of our province, that in this province when we've wanted to solve problems we've learned a long time ago that you do it best by pulling together.

So the co-operative movement in our province has been a significant factor in solving problems in communities and also clearly in our economy. Mr. Speaker, it's obvious as the nose on your face, two of the largest enterprises in Saskatchewan are co-operatives here in the province of Saskatchewan.

But what have we seen? What have we seen as support for the co-operative sector from the Government of Saskatchewan? Mr. Speaker, if you get the phone book and you look into those blue pages where they list the government offices, you can page through there in the provincial government section and you can't find the Department of Co-operatives. It's not there. It doesn't even exist any more.

When they came to government in 1982 there was a Department of Co-operatives which saw as its mandate the promotion of co-operative solutions to problems, including co-operative enterprises in our economy and support for them. Well, Mr. Speaker, it just simply doesn't exist. The department no longer exists and the services are hard to find at best.

We've seen, Mr. Speaker, in our province, the impact of

co-operatives such as the wheat pool and the Federated Co-op. There's hardly a community around the province that doesn't have a Co-op store or a credit union, housing co-ops responding to needs for housing for seniors and for low income people.

Mr. Speaker, when we look at our economy, clearly in Saskatchewan in terms of point number three, we cannot ignore the public sector. Public sector is made up of government departments but also made up of Crown corporations — two kinds. One, those that provide services, and secondly, Mr. Speaker, those Crown corporations which function with our natural resources and have as one of their objectives to return revenues to the coffers of the province of Saskatchewan, to help pay the bills to provide the services for people.

The reality is, Mr. Speaker, that there is not a single natural resource Crown corporation in Saskatchewan that has not been privatized. They're gone.

What these guys inherited, Mr. Speaker, was an economy in which small business, family businesses were doing well because people had disposable income in their pockets, the most important thing in a family business.

They inherited a desire and a structure provided by the people's vehicle, their government, to facilitate the development of co-operatives. And they inherited, Mr. Speaker, Crown corporations which function to provide services in an equitable kind of way and to maximize the return to our Consolidated Fund revenues from our natural resources, apologies to nobody.

But those ones that return the money, those ones that provide the money that would be there, that would say that you don't need to stick the long arm of a PC government into your pockets for \$440 million worth of provincial goods and services tax, are all privatized now.

And what do we get for it? Is there any wonder why the people of Saskatchewan ask the question: where has the money gone? We had these money producers. We had money producers. They've been privatized. I say piratized. They've been privatized; they're gone in varying degrees to the private sector.

And yet the debt continues to rise and rise. And so we say we got a debt out of control, a debt that did not exist when they came to government in 1982. They inherited \$139 million surplus. They say we've got a debt that's gone out of control and we've gotten rid of the money-makers and the Crown corporations that belong to the people of Saskatchewan. And now we need some more money, they say. We can't get a grip on our spending.

And so who's got to ante up? Is it Weyerhaeuser that's got to ante up? Is it Peter Pocklington that's got to ante up? Is it Cargill that's got to ante up? No it's going the other way, as my hon. colleague says. It's not Weyerhaeuser and Pocklington and Cargill that got to ante up they say. Heavens no, we got to dig deeper into the pockets of the people of Saskatchewan so we can pay those guys to be here. And at the same time it has been part of their strategy to get rid of the money-makers.



What foolish government we have had, Mr. Speaker. There were other choices. I say they made the wrong choice but I say as well, Mr. Speaker, that when the people of Saskatchewan have opportunity to exercise judgement and to provide a mandate, they will take one look at this PC government, at the record of this PC government, and the people of Saskatchewan will also make another choice, Mr. Speaker.

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

**Mr. Hagel:** — Well, Mr. Speaker, while they were looking at the private sector, at the co-operative sector, or the public sector — clearly government policy influences the functioning of all three. In the public sector, with its management of government departments or Crown corporations, we can get into some of the cynical actions taken there. I'll do that a little later in my speech in reference to their decentralization program as part of their agenda to drive a wedge between rural and urban Saskatchewan.

Mr. Speaker, the policies of employment in the public sector have been not only to provide equitable services or bring in revenue, but to, but Mr. Speaker, to lend stability, to lend stability to people and to communities in their employment of people.

It's been part of the record, Mr. Speaker, it's been part of the policy of provincial governments and the management of the employment policies of their Crown corporations to see it as an objective, to keep stability of employment for people and for their communities, to stockpile in difficult times sometimes, Mr. Speaker, to keep people working when prices are down, which may have the consequence, Mr. Speaker, that you don't have the free market rise and fall, where you peak your employment when the prices are up and you reduce the employment when the prices that are down.

Mr. Speaker, running, administering those Crown corporations with a sense of . . .

**The Speaker:** — Order, order.

**Hon. Mr. Schmidt:** — Could you not call for order here? There's some goons singing and I can't hear the debate.

**The Speaker:** — The Minister of Economic Diversification's point of order related to interruption by guests in our galleries. As I mentioned to them earlier on, we have a long-standing rule in this Assembly where guests do not interfere with proceedings. The minister's point of order is well taken.

**Mr. Hagel:** — Mr. Speaker, I'm particularly pleased that the . . .

**The Speaker:** — Order. Why is the hon. member for Cut Knife-Lloydminster on his feet?

**Mr. Hopfner:** — Mr. Speaker, I think probably what has taken place here in this Assembly this afternoon is been a very disgraceful act upon this floor of this legislature. And I would like you to seriously consider that anyone that can be identified that was in the group up here, that they

be barred from this legislature until there is a formal apology come from the whole group.

**Mr. Brockelbank:** — Mr. Speaker, rising on a point of order, it's incumbent upon the member to immediately go to what rule was broken and identify that immediately. The member from Cut Knife-Lloydminster was making a little argument, a little debate. I think you will recognize that, Mr. Speaker. He didn't raise the point of order.

**Hon. Mr. Schmidt:** — Well speaking to the point of order, Mr. Speaker, I know that you have the difficult responsibility of trying to keep order in this Assembly. I know that it is difficult from time to time to keep order among the members. But on this particular point of order, I think the Speaker has to consider very seriously this institution and respect for debate in this institution. And this Assembly gave leave to the members opposite to introduce their guests, and then their guests disrupt the debate in the manner that is shown, by shouting and singing in the gallery. I think the members opposite should apologize for their guests at the very least.

**The Speaker:** — The hon. member's point of order, I have listened to the arguments from both sides of the House. I will consider the issue raised.

(1600)

**Mr. Hagel:** — Thank you very much, Mr. Speaker. Picking up right where I left off, I had been speaking in debate until the member rose on the point of order. I'd like to simply continue by saying this, and in summary, that the Saskatchewan economy is most vibrant, Mr. Speaker, in my view, when all three of those sectors are working, when they're working well, and that government policy clearly — I've been referring to government policy in terms of employment policies in the public sector — contributes to economic stability in the province. Clearly as well, as I've made reference to or implied earlier, Mr. Speaker, the government's support for co-operative endeavours is significant in the building of that structure and the security of that in our economy.

And finally, Mr. Speaker, as I had previously implied, when the Government of Saskatchewan is conducting its own affairs responsibly, part of that, Mr. Speaker, responsible in its spending, managing to balance its budgets by and large, which was the track record of the New Democrat government from 1971 to 1982 — 11 straight balanced budgets — clearly that is the environment in which the private sector, which is largely family business sector, feels most capable of expanding and creating employment opportunities in the private sector for our people.

And so, Mr. Speaker, it is clearly significant to all three — obviously the public, but also to the co-operative and to the private sectors — the kinds of approaches and the kinds of policies and the kinds of responsibility that the government demonstrates.

Fourthly, Mr. Speaker, I think what people in Saskatchewan need is a government that recognizes that the key to broad economic development is diversification; and that in fact what we need to have, Mr.

Speaker, in Saskatchewan is more secondary activity to reduce the vulnerability to international demands and prices for primary products like agricultural products and natural resources that has been part of our record and our history in the province.

I would also, fifthly, Mr. Speaker, like to suggest that it's important for the Government of Saskatchewan to recognize that co-operation gets overall better results than competition. And I know that is a principle, this is a principle that's foreign to members opposite who tend to be of the view that nothing beats good old fashioned competition where the biggest reign supreme, and it's survival of fittest, and it's dog eat dog, and it's every man for himself.

But, Mr. Speaker, I think there is a different way here in Saskatchewan. We understand that there is a different principle that makes us stronger, that we're stronger when we stand together — not only individuals, not only working people collectively within unions, Mr. Speaker, but, Mr. Speaker, also within communities . . . (inaudible interjection) . . . If the Minister of Labour would like to intervene in the debate, I look forward, I look forward to hearing his comments.

And I will be very, very interested in understanding a little more clearly what his plans for economic diversification and creating employment in a sound economy are because, Mr. Minister, clearly the track record is going the other way.

There is only one province in all of Canada that has seen a decline in the size of its labour force in a number of jobs in all of Canada over the last two years. Mr. Minister, you should hang your head in shame as Minister of Labour when the only province that's seen a reduction in the work-force is our province of Saskatchewan. I say shame on you.

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

**Mr. Hagel:** — Is it any wonder that the young people of Saskatchewan are leaving in droves. Over half . . . Mr. Speaker, this will come I'm sure as no great shock to the Minister of Labour. Surely he must understand that over the last five and a half years in the province of Saskatchewan we have experienced a net loss, a net loss of over 75,000 people — 75,000 more people who have left the province of Saskatchewan than come in, and over half of them between the ages of 16 and 34.

Now surely that is an alarming fact to the Minister of Labour. Surely he's not going to stand in defence of the government policies that have driven the young people of Saskatchewan to leave our province to look to build their futures elsewhere.

I look forward to his response as to how this provincial goods and services tax, sticking your hand for 440 more million dollars into the pockets of Saskatchewan taxpayers, how that's going to be the solution to employment. That is truly a magical act. That is truly a magical act.

I can understand why you find some of this a bit irritating.

But you've got a few more weeks in government. You've got a few more weeks in government, Mr. Minister. And I say it behoves you to open your ears and close your mouth and listen to the people of Saskatchewan, and take some responsible action for the future of the people of this province.

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

**Mr. Hagel:** — Well, Mr. Speaker, I can understand it's an irritating point, that it's an irritating point to the members of the PC Government of Saskatchewan that someone would suggest in this Assembly that we are stronger when we work together. But I suggest, Mr. Speaker, that that is a principle that the people of Saskatchewan by and large don't even need to debate. They intuitively know it to be true.

And so, Mr. Speaker, my sixth point in terms of the economy is this. It seems to me that the Saskatchewan government has the responsibility to lead, not to follow. In addressing the economy of Saskatchewan, the government has the responsibility to lead, not to follow. That runs contrary to the free-market thinking of the members opposite.

And I understand, Mr. Speaker, that part of that philosophy that we've been afflicted with these past nine long, lean years, Mr. Speaker, has resulted in no Department of Co-operation, of Co-operatives, but privatization instead, with shoddy government and deficits running out of control — all signs of a government negating its responsibility to lead.

And I say, Mr. Speaker, what Saskatchewan needs is leadership from its government. It needs a government that's willing to bring the actors of the economy together — not to drive them apart and not to say, stand on your own, each in your own corner; good luck to you Jack; every man for himself.

**An Hon. Member:** — That's how I got my start.

**Mr. Hagel:** — Oh, the member says that's how he got his start. Well, are we happy for him! And I say, it's kind of interesting. It's kind of interesting because when I recognized the member who made that statement, that's how he got his start, and I recognize his constituency, Mr. Speaker, I suggest that in the next few weeks the people of Saskatchewan are going to say, Mr. Member, you're about to get your stop.

Well, Mr. Speaker, it seems to me that it is critical to the future of our province that we have a government that has the will to bring people together, to get them to act in the common good interest of the province of Saskatchewan, in the economy of the province of Saskatchewan.

We need a government in this province, Mr. Speaker, that has a will to bring together in the same room, the co-operative sector and the private sector and the Crown corporation sector, all of those important sectors of the economy, but also because of a realistic perspective of what the economy is, the post-secondary education sector. And also a very important sector as well, Mr. Speaker, labour, because the economy functions by and

for employment for people. And to also bring into that room, representatives of municipalities, a critical employment body in our province, Mr. Speaker. And to facilitate . . . we need a government that's willing to bring together the actors in our economy, and then to facilitate among those actors the development of an economic game plan for the province of Saskatchewan for the '90s to which they are all committed to make work.

Mr. Speaker, we have reached the point where co-operation is more than something that's just a human nicety. I suggest, Mr. Speaker, that for the economy of Saskatchewan, co-operation spells survival. In order to look at the future with a sense of hope and optimism, Mr. Speaker, I suggest it is impossible to do that without understanding a co-operative approach to the development of our economy and to the development of a plan for our economy and a commitment to carry out and to have succeed a co-operatively developed plan for our economy.

And given the track record of the members opposite, Mr. Speaker, and given the track record of the New Democrat governments in 1971 to 1982 and from 1944 to 1962, I suggest, Mr. Speaker, that there is only one political party. There is only one leader in all of Saskatchewan that has got the ability to bring together the private sector and the public sector and the co-operative sector and post-secondary education and labour and municipalities, and that is the member from Riversdale, and that is the New Democratic Party of Saskatchewan, Mr. Speaker.

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

**Mr. Hagel:** — And so I conclude, Mr. Speaker, the first section of my address in which I make the point that I consider the provincial goods and services tax to be unnecessary because this government had other choices. They could have chosen to get rid of expenses and patronage and cabinet travel and its foolish, frivolous waste. They could have re-evaluated its natural resources revenues. And it could have chosen positive principles to develop and to build our economy to increase activity and employment and revenue for the province of Saskatchewan. And I conclude that the provincial goods and services tax was unnecessary.

And I say as well, Mr. Speaker, that the provincial goods and services tax is not only unnecessary, it's unfair. Now what do I mean by that? It seems to me, Mr. Speaker, that it is a responsibility of every government, in looking at taxation policies for people, to ask ourselves what is it that makes a tax fair.

We will hear the notions floated around and about. Peter Pocklington, when he was seeking the leadership of the Progressive Conservative Party federally, he floated the notion that we should ought to have a flat tax, he said. Everybody pays the same rate.

But, Mr. Speaker, it seems to me that all fair-minded people in our society — and I recognize that there are very few who get a big kick out of paying taxes, although the large majority I think upon reflection consider taxes to be a very necessary part of life for us all — are also concerned though with another point. And that's the

question of fairness because clearly on the provincial goods and services tax, the message I hear loud and clear from my constituents, and that my colleagues hear loud and clear, and that the government members would hear loud and clear if they listened, is that Saskatchewan people are saying this tax is not only unnecessary, it's unfair.

And so what makes a tax fair? Mr. Speaker, what makes a tax fair is its progressivity that is based on ability to pay.

As one 70-year-old constituent of mine said to me a couple of months ago — it wouldn't have been a couple of months ago, probably about seven weeks ago, just after the provincial goods and services tax which we're debating right now was imposed. He came into my constituency office and he said, you know this tax isn't fair. He said you can be the poorest of the poor, or you can be a person with a \$500,000 a year income, and when you walk into a restaurant for a cup of coffee and the provincial goods and services tax is placed on that cup of coffee, you both pay the same amount. He said that's not fair.

**An Hon. Member:** — Who gets the rebate?

**Mr. Hagel:** — Now some would say . . . oh the member said, who gets the rebate? The minister of Economic Development says, who gets the rebate? I referred, Mr. Speaker, to this being a 70-year-old gentleman. It may come as no surprise that he doesn't have any children at home. And so, Mr. Speaker, because of the rebate policy proposed by the PC government, that 70-year-old gentleman with no children at home gets no rebate. No rebate. That's your rules. That's your rules . . . (inaudible interjection) . . . Oh, now he says, we wanted . . . oh, jeppers we didn't like the discussion on that topic, let's change the topic and let's move on to something else.

Well he says, let's talk about the heritage grant, he says. Never mind the fact that the heritage grant was there and it was there as a result of what, Mr. Speaker? It was there as a result of the fact that they took away the property improvement grants. They took away the home . . . the municipal tax rebates being paid to seniors when they came to be government. They took those away and there was an objection across the province of Saskatchewan and so finally, parallel to their federal cousins in Ottawa, they relented and introduced the heritage tax. Not because it was fair, not because they wanted to, not because that was part of the plan, but because they took away the property tax rebate to seniors and the heat got on and they decided, well I guess we'd better do something.

The answer to your question, sir, who gets the rebate? How much rebate does he get? Zero.

So we come back to my point, Mr. Speaker, before I was distracted by the member from Melville. Let me come back to my point. What this gentleman was saying . . . (inaudible interjection) . . . Well goodness gracious . . .

**The Deputy Speaker:** — Order. Order. All members will get an opportunity to debate. Order. Minister of Highways, I'd ask him to allow the member for Moose

Jaw North to make his point. Order.

(1615)

**Mr. Hagel:** — Thank you very much, Mr. Speaker. I'm going to come back to this point because I think it describes very simply the point that I'm making. Some may say it's irrelevant because it's a small amount, that the provincial goods and services tax on a cup of coffee is only 5 or 6 cents and therefore it's irrelevant. Well maybe to some. Unfortunately, Mr. Speaker, in our province there's some to whom even that is not irrelevant.

But the point I'm making is this: is that the consumption tax being placed on a cup of coffee, the consumption tax being placed on children's running shoes or blue jeans, the consumption tax being placed on your cost of heating your home, whether you're heating . . . (inaudible interjection) . . . Oh. Well, Mr. Speaker, the government cabinet ministers are certainly anxious to get into debate, which makes me wonder what it was that kept them two weeks from this House being able to debate this most unpopular tax Bill.

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

**Mr. Hagel:** — Well, Mr. Speaker, I'll try and stick to my point and I will look forward with great anticipation to the debate from members opposite who will tell us how wonderful it is that there's no rebate to seniors on this tax. They'll tell us how wonderful it is that they're sticking their hands for 440 extra million dollars into the pockets of Saskatchewan consumers, and that they're going to . . . Oh we'll come to this one later. But not only that, they're going to tax us into full employment, they said. Oh my goodness gracious. But we'll come back to that one later, Mr. Speaker. I'm running ahead of myself. I'm running ahead of myself.

Well, Mr. Speaker, the point is simply this: is that when you're talking a consumption tax . . . and let's note what this consumption tax is on. It's on food and clothing and shelter. It's on restaurant food and it's on all clothing and it's on home heating. That's what it's on.

**An Hon. Member:** — That first statement was absolutely wrong.

**Mr. Hagel:** — Oh, Mr. Speaker, goodness gracious, the members opposite are having a hard time following here again. But, Mr. Speaker, let me charge along because if I stand here in my place as long as it takes to get these guys to figure this thing out, we'll never be done this debate, Mr. Speaker.

So we got this consumption tax on food and clothing and shelter. It can be said to be nothing other than that. And whether you're paying this tax on your heating for your \$20,000 home or whether you're paying this tax on heating for your \$500,000 home, you're paying the same rates. You're paying the same rates . . . (inaudible interjection) . . . Oh the member opposite, he's got a \$500,000 home, he says. Oh he doesn't like . . . he probably figures his \$500,000 home, somehow that's boosting the economy; he ought to get a break.

He took a look at his friends at Weyerhaeuser and Peter Puck and Cargill, and he says, my goodness gracious, I got bigger; I got better; give me a tax break. Well, Mr. Speaker, it don't work that way in the real world. It don't work that way in the real world. These folks have been living in fantasy for nine years. Fantasy is just about up.

Now, Mr. Speaker, a definition of fairness in taxation is that it's progressive. It's one to which I subscribe. And I say because this tax is not progressive, it is unfair. And I won't go into more detail. I won't take the time of the Assembly to do it, unless the members opposite would like me to do it.

But I simply refer, Mr. Speaker, to a document that was published by the New Democratic Party caucus in January of this year entitled, *Tax Fairness for the 1990's* which outlines some of the expenditures that this government has been undertaking foolishly and some of which I've already referred to.

But it also outlines, Mr. Speaker, a commitment to tax fairness, tax fairness based on the principles of progressivity. And, Mr. Speaker, I would say to anyone in the province of Saskatchewan who would like to have a copy, this can be made available, Mr. Speaker, to anyone in Saskatchewan who would like it. And all they need to do, Mr. Speaker, if they want one is to write to me, to Glenn Hagel at the Legislative Assembly . . .

**The Deputy Speaker:** — Order. Order. Members are not to refer to themselves or other members by name in the legislature.

**An Hon. Member:** — Are you reading? Did you read from a document?

**The Deputy Speaker:** — That is not being read.

**An Hon. Member:** — Oh, sorry. You're right.

**Mr. Hagel:** — Well, Mr. Speaker, I respect your ruling, and you're quite correct; I wasn't looking at an envelop being addressed to me and so I should ought not to have said my name, which I won't say again.

But they address it to me by name or simply by constituency, MLA from Moose Jaw North, Room 265 Legislative Building, S4S 0B3. Or they can call, Mr. Speaker. If they want to call, it's 787-1886. They can call collect. The opposition will accept collect calls, Mr. Speaker. Then if they want to call or to write, the New Democrat caucus would be happy to send this document entitled *Tax Fairness for the 1990's* outlining the policies for fair taxation and progressive taxation, Mr. Speaker.

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

**Mr. Hagel:** — Well, Mr. Speaker, I've covered the first two points of my address here this afternoon, so let me move along. Mr. Speaker, I have made the point in debate here that I consider this tax to be both unnecessary and unfair.

But, Mr. Speaker, let me also move to my third point that I had indicated when I started, and that's that the PC Party's

provincial goods and services tax in fact is counter-productive. Not only is it unnecessary and unfair, it's doing the opposite of what they say it'll do. It's counter-productive. It's a deterrent in the province of Saskatchewan.

Mr. Speaker, you know it seems to me and it seems obvious to members on this side of the House, and if any of those members have the courage to stick their necks out when they go home on the weekend and trot downtown in their home communities, they'll find out that the PST (provincial sales tax) has done no good for the towns and the stores on Main Street. It's become an economic deterrent. People are buying less because they've got less to spend because of the tax. But also, Mr. Speaker, also because the imposition of this tax, particularly on top of the federal goods and services tax, has led, Mr. Speaker, to a psychological decline in the desire to purchase.

Now, Mr. Speaker, it's not surprising to me that it's having this impact here in the province of Saskatchewan when I look at what has been the result of the imposition of the goods and services tax federally, upon which they based their whole assessment as to what this PST is going to do for Saskatchewan.

I want to refer the Assembly, Mr. Speaker, to a few articles. Don't take my word for it. Mr. Speaker, I refer to a *Leader-Post* article on April 2 of this year entitled: "GST blamed for economic mess" — GST which they are modelling this tax after. They're saying that's such a wonderful thing for Canada; let's get us one here in Saskatchewan.

Well what does this article say, Mr. Speaker, about the GST.

The GST (and I quote) the GST has made the recession longer, more painful and could delay any recovery until the end of the year, one economist warned Monday.

Another agreed that introducing the seven per cent tax sent the economy reeling, but he predicted the worst will be over by May.

Either way, the economy was a mess in January and today's composite leading indicator, pointing to what's ahead in the next few months, will bring more bad news.

Well that was for all of Canada. But on top of that here in Saskatchewan, Mr. Speaker, we get the double negative; we get the double negative with the PST. And I see as well, Mr. Speaker, April 3 from the *Leader-Post* entitled: "GST shockwave rattles the economy". And I quote:

Economists said the outlook for the economy darkened Tuesday as statistics showed retail sales plunged in January and the composite leading indicator, an important sign of what's ahead, fell for the 12th month in a row after the GST hit dazed consumers.

And it goes on:

"The most recent retail trade figures and the composite leading indicator confirm that in the first quarter the recession was deepening at a quickened pace," Lloyd Atkinson, chief economist at the Bank of Montreal, said in a statement.

And then later:

The GST walloped the economy, helping push retail sales down 7.6 per cent to \$14.7 billion in January from \$15.9 billion in December after accounting for seasonal changes, Statistics Canada also said.

More than half the steep drop in retail sales was due to replacing the existing federal sales tax on manufactured products with a seven per cent goods and services tax.

That's what they're saying. It's the GST. And then in the article it says and I quote:

"That was a real zinger, a very steep decline," said Atkinson.

Well, Mr. Speaker, when the economists refer to the GST and its impact in Canada, they call it a zinger. Well that source of inspiration for our brilliant PC government in Saskatchewan and say, let's get us one of them there zingers here in Saskatchewan. We're zinging Canada; let's double zing Saskatchewan.

Another article, Mr. Speaker, from *The Globe and Mail*, April 17: "Survey shows GST slash spending." And again, Mr. Speaker, in the *Star-Phoenix*, February 23: "GST said behind the biggest inflation increase ever."

And, Mr. Speaker, I look as well at an article in my home community of Moose Jaw from the *Moose Jaw Times-Herald* from May 13 entitled: "Merchants concerned about U.S.'s appeal to Band City shoppers." Not only are you turning off the economy and you're turning off shopping here in Saskatchewan by Saskatchewan people, you're also driving them out of the province. Ain't that a zinger. Ain't that what people were looking for as they got up on the morning of April 1, April Fool's Day, the day you introduced the PC PST in the province of Saskatchewan. He says, well thanks for the zinger; we were looking forward to that one.

I quote from the article:

There's no doubt the PST and the GST are hurting business, Moose Jaw merchants say.

And I quote:

Sales are down because 14 per cent of all disposable income is not available, said Ted Joyner of Joyner's Department Store. People will wait rather than buy a suit they don't need because money isn't around. It is earmarked for taxes and people don't have 14 per cent in their pockets.

That's the real world; that's been the impact. And so it's no surprise to small-business people on Main Street all across Saskatchewan, it's no surprise to consumers across the province of Saskatchewan, that the PST is hurting already, never mind this harmonization, crazy notion that you got about going to that in January of '92.

Well, Mr. Speaker, I think it's been said over and over again. I've heard it many times in my home community of Moose Jaw and we've heard it up and down the streets even here in Regina, Mr. Speaker — the best thing that ever happened to Minot, North Dakota, was the GST and the PST. I mean I don't know how they did that, whether they got a closet North Dakota or a closet Minot economic development officer snuck into your cabinet and plunked this idea into the middle of your brains in the middle of night.

I don't know quite how they managed to pull this off but you guys have made Minot, North Dakota, a boom town all on your own. You haven't done a thing for Moose Jaw. You haven't done a thing for Regina business people . . . (inaudible interjection) . . . Oh, now, oh, the minister, oh well we want to talk about the Saferco plant. We'll come around to it. You just hang on. You hang on, Mr. Minister. We'll get around to that one. We'll get around to that one.

You guys just trot along, you just trot along to the southern end of our province in Weyburn and in Estevan, in Oxbow, Coronach. Just wander down there if you've got the guts, stick your head up in public, in daylight. Ask them what they think of your PST. You're killing the towns. You're killing the businesses because you've driven the shoppers out of the province of Saskatchewan. And I say, shame on you. This record will hang around your necks and beyond your heads.

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

(1630)

**Mr. Hagel:** — Well, Mr. Speaker, we had some used-car salespeople in this Assembly within the last week. And you know what? This PST isn't even on used cars yet and you're killing them.

And it's clear. Let me quote from a news release of May 24 from the Independent Automobile Dealers and Suppliers Against the Tax. You know, you guys have done more to unite people in Saskatchewan . . . there's more organizations cropping up just spontaneously to oppose your tax, everyone of them against you. And they all end up with the phrase: against the tax.

You know, I think you must have been . . . you probably had Davey Stuart. He's been advising you on your political strategy. Davey Stuart, he understood this retroactively, unfortunately for him.

By the time Davey Stuart got to 1971, he understood. He said, the only people that weren't mad at the Liberal government were people that he hadn't met yet . . . (inaudible interjection) . . . Well the only ones not mad at you guys are guys you haven't met yet. But boy, I'll tell you, you're doing wonders for organization in Saskatchewan as we get spontaneous groups coming up

all over the place, all of them with brand-new titles that end with: against the tax.

**An Hon. Member:** — Why won't you let us pass it?

**Mr. Hagel:** — Well the minister says, why don't you let us pass it?

**The Speaker:** — Order, order, order, order, order. Not necessary. Debate, I think, is best if you contain your remarks to the debate under consideration and the debate will be better rather than debating with someone across the floor. And at the same time having said that, I ask members across the floor to allow him to continue without interruption.

**Mr. Hagel:** — Thank you, Mr. Speaker. Well, Mr. Speaker, let me come back to the point I was making, referring to the Independent Automobile Dealers and Suppliers Against the Tax — the news release, May 24. Yet another group, Mr. Speaker, and what do they say? I quote, Mr. Speaker:

The survey showed that the GST has resulted in a decline of business of up to 20 per cent in 29 instances, and a decline of more than 20 per cent in 54 businesses.

Eighty-three businesses, Mr. Speaker — 83 businesses directly attribute that decline to the GST. As well 15 per cent of the operations said the GST has resulted in their having to lay off one or two employees; 2 per cent said they have laid off more than two — loss of jobs.

When asked what they anticipate the effect of the PST to be, 24 per cent predicted a further loss of business of up to 20 per cent, while 24 per cent said the loss of business would be more than 20 per cent. Over half — not over half, 48 per cent — just about half, half of the used-car dealers and suppliers said that with the PST they would lose 20 per cent more business or more. Eleven per cent of the businesses said it would cause them to lay off one or two employees, while 4 per cent said they would lay off three or more. Clearly we're talking about one of the most effective unemployment projects in the recent history of Saskatchewan.

And then I quote, Mr. Speaker, from this news release — from the person who released it, Mr. Dorn. And I quote:

The most frightening part of the survey is that 11 per cent of the businesses said the introduction of the PST would cause them to close up shop.

He's referring to the harmonization. Well, Mr. Speaker, that's reality on Main Street, Saskatchewan.

You know, I just shake my head, Mr. Speaker, in wonderment. I shake my head in wonderment and I will look with great anticipation if we get to the vote. If we reach the point where this government decides we're going to vote on this legislation, it will be interesting.

It will be interesting to see what the member from Estevan does, because this tax, Mr. Speaker, is killing the city of Estevan. And the member from Weyburn, Minister of

Finance, killing his own community, the Premier and his.

And the member from Lloydminster — maybe Battle River — he says he's running again. It would be interesting to see how he votes on this tax, whether he votes for his community or not, whether he votes for the decline of Lloydminster or not.

The member for Maple Creek, she says she's not running again. She's one of the smart ones; she's getting out. The member for Shaunavon, he's got his eyes on Frenchman River, maybe. He says he's running again. Well I think his constituents will take great interest, will take great interest in how he votes on this tax.

The member for Souris-Cannington . . . It's vacant. There's another of those vacant ones that we haven't had filled — people who aren't even represented in this debate on this tax.

The member for Yorkton; we'll see how he votes. He's already decided he's not running again. The member for Moosomin . . . I'm talking about border communities, Mr. Speaker. It will be very interesting to the constituents of these communities, of these border ridings, Mr. Speaker, how their members will vote. I wonder how the member for Moosomin . . . maybe Pipestone Creek. He says he's running again. Well watch how he votes. His constituents will take great interest in this.

The member for Assiniboia-Gravelbourg, maybe Wood Mountain. And the member for Bengough-Milestone, Big Muddy, he says he's not running.

**An Hon. Member:** — Point of order.

**The Speaker:** — The Minister of Economic Diversification.

**Hon. Mr. Schmidt:** — Mr. Speaker, the member opposite, while he has a right to debate, I believe that he has gone beyond that right. He is asking how members will vote. And the only really way to understand how members will vote is to call question and have a vote.

And until that time arises, Mr. Speaker, I believe it is not relevant to the debate to debate in advance how members will vote, and that the member opposite should be required to debate the Bill or call question and we will see how everyone votes.

**The Speaker:** — I've listened to the hon. member's point of order. In essence it isn't, strictly speaking, a point of order. However, having said that, I believe the hon. member should also be conscious of the remarks he is making. And as I said earlier in a previous remark, a member should be conscious of a long bow they may be drawing and try to relate their argument directly to the topic under discussion. I believe it's to the benefit of all.

**Mr. Hagel:** — Thank you very much, Mr. Speaker. I understand. This is doggone frustrating for members on the other side, to have brought to the attention of the people of Saskatchewan that they're representing, constituencies with border communities that are being killed by this tax . . . people who will take great interest in

how you personally vote in this Legislative Assembly. And I'll come back to that point later in my remarks, Mr. Speaker, because I think that's relevant to what's going to happen if we come to voting day here.

Well, Mr. Speaker, the member for Kindersley . . . well, Kindersley is vacant. Wilkie — to become Tramping Lake — the constituents there will take great interest in how that member will vote. And the member from Meadow Lake will also stimulate interest in his vote on this Bill to kill communities in the borders of Saskatchewan.

Well, Mr. Speaker, the argument has been made — with a great deal of credibility, I believe — that the worst time to introduce a new tax is time of recession. You can't think of a worse time to introduce a new tax than a recession. Money's hard to find. People aren't spending, for starters. And then you simply kill the economy by giving consumers yet another reason to not spend. Well, Mr. Speaker, it seems to me that the cost of this tax has already been a demonstration of both loss of spending as well as loss of jobs.

Well, Mr. Speaker, I want to just make some reference to one of the claims being made by the members opposite in promotion of this Bill. They say, you know, we need to have this tax because it's going to create some more jobs, they say. In fact, the Minister of Finance has had the gall to suggest that this tax is going to create 5,000 new jobs. Yes, Mr. Speaker, he says he's going to tax us right into full employment, is what he says.

Well, Mr. Speaker, I simply have to ask: you know, if this tax, if the 7 per cent PST can create 5,000 new jobs, why doesn't the Minister of Finance do us a great big favour and give us a 14 per cent PST and create 10,000 new jobs? But why doesn't he go whole hog? Why doesn't he get rid of unemployment entirely in the province of Saskatchewan and put in a 70 per cent PST and create 50,000 new jobs?

Sure, oh yes, he can tax us right into full employment. And the Minister of Education, he says, right on. Well there's an idea, he says. Too bad we didn't think of that one. Let's think big. You guys haven't been thinking big. What's the problem here?

Mr. Speaker, I make that argument. Well, the Minister of Education, I agree. He's got this point right.

**The Speaker:** — Order, order. Order. I'm going to once more ask the hon. member not to refer to the presence of members in the House.

**Mr. Hagel:** — Well, Mr. Minister, I simply say, if that seems to be a frivolous argument, clearly it is. Clearly it is. To suggest that a 70 per cent PST would create 50,000 jobs is an absurd statement. Absolutely absurd. But absurd only, Mr. Speaker, because the starting point is absurd. At the starting point to say that a 7 per cent PST will create 5,000 new jobs is an absurd statement. It is indefensible.

Now the minister in his document that he finally released, after being pressed for three or four weeks to produce something that even had the semblance of an analysis to

it, an economic analysis to it, finally got a document out that said that there would be some new jobs created because of GRIP (gross revenue insurance plan) and NISA (net income stabilization account). That may very well be, Mr. Speaker, that may very well be. I don't take argument with the fact that that would lead to employment stability.

But, Mr. Speaker, to say that this tax directly, this tax directly will lead to 5,000 new jobs is a ridiculous statement.

It's kind of interesting, Mr. Speaker, when you read that analysis of the provincial government related to jobs, they wanted to say . . . they had two analyses. One said, what would be the job situation with no GRIP and NISA and no PST. And then they said, what would be the job situation with GRIP and NISA and with PST. And they said whoa, will you look at this — 5,000 more jobs with GRIP and NISA and with PST then without GRIP and NISA and without PST. That's what they said.

Mr. Speaker, did it dawn on any one of those brilliant, academic minds opposite that a reasonable, academic, economic analysis would be to say: and what would it be like without GRIP and NISA and with the PST? No, never dawned on them. Because, Mr. Speaker, their claim, their total claim for employment stimulus from this has to do with GRIP and NISA, they say. Well, Mr. Speaker, we on this side have said GRIP and NISA can exist without the PST. It is foolish to suggest that employment related to GRIP and NISA is the impact of the tax. In fact, Mr. Speaker, the reality is exactly the opposite.

In an analysis that was released about a week and a half ago, a couple of weeks ago, Mr. Speaker, that was endorsed by a couple of recognized and renowned economists — Neil Brooks, professor of tax law at Osgoode Hall, York University; Alex Kelly, professor of economics at the U of R, University of Regina . . . Mr. Speaker, an analysis that was released and endorsed by those people. In fact, the conclusion that was reached, Mr. Speaker, was that there may be, because of the impact of the tax, the creation over a five-year period of about some 760 jobs. That could be said with accuracy.

But that, Mr. Speaker, directly related to the imposition of the PST. And the province of Saskatchewan over the next five years — a loss of 8,225 jobs over the next five years. And the net effect of employment on the economy, directly because of the PST, meaning a loss of nearly 7,500 jobs over the next five years.

Now, Mr. Speaker, anybody who wants a copy of that analysis can get one. And again, if they call my office at the legislature or write to me, I'd be happy to send that to them. It's available to anyone in Saskatchewan who wants it.

And I simply want to conclude with the point, Mr. Speaker, that contrary, contrary to the claim of this government the PST will create employment, in fact, it will do the exact opposite. It will lead directly to the loss from the Saskatchewan economy of some 7,500 jobs over the next five years, and we can ill afford that.

(1645)

Well, Mr. Speaker, I want to move to my fourth point — that the provincial goods and services tax is ill conceived. In fact I've covered most of that in my remarks that I've just made, in the analysis of the jobs that they've done. But I think there's been some intellectual dishonesty here as well, Mr. Speaker. There's been some intellectual dishonesty. Mr. Speaker, the provincial government says that this is going to bring revenue to the province of some \$180 million. They also say, interestingly enough, Mr. Speaker, not only will this tax bring \$180 million more into the province of Saskatchewan, it will also give them \$260 million that they can give to large corporations.

Oh, now we're getting down to the nitty-gritty here, Mr. Speaker, and the lips are starting to tremble on the other side. Mr. Speaker, \$180 million, they say, to come into the provincial coffers and \$260 million to give to their corporate friends. They don't like it when the opposition says, you know 180, 260 — that's \$440 million. Whoa, they say, don't use that number. Don't let people know that this is going to cost an extra \$440 million a year; an average of some \$450 per person extra in sales tax because of the harmonized provincial goods and services tax. Don't let people know that, they say. Oh my goodness, if they know that, we know what they'll do.

Well, Mr. Speaker, we understand. We understand how the system works. We've already had it raised here. If you're a senior, if you're low income senior, you don't get any of the rebate that they say there's going to be in provincial goods and services tax. But they say there are going to be rebates for business.

Well, Mr. Speaker, I can only believe him. When the Minister of Finance stands in his place, I can only assume that the Minister of Finance is telling the truth. And I assume that when the Minister of Finance says they're going to take \$260 million and they're going to shoot it out to their corporate friends, that he's telling the truth.

But who's going to get that, Mr. Speaker? Who will get that rebate? Mr. Speaker, will it be small town, main street clothing stores and restaurants, Mr. Speaker, the ones that are paying the price right now, the ones that are just trying to survive right now? Will it be the bookstores, the ones, Mr. Speaker, who are paying very little in PST right now?

Or, Mr. Speaker, will it be the big boys, their large corporate friends, Mr. Speaker? Could it be that's where the money would go? Is it the Ipscos of the world? Is it the Cargills of the world? Could that be why we all have to dig deep in our pockets to pull out \$440 million per year from the people of Saskatchewan so that we can hand the money to Ipsco and to Cargill? Is that where it's going, Mr. Speaker?

Well, Mr. Speaker, there is an old saying: he who pays the piper calls the tune. And, Mr. Speaker, there are some people who have been paying the piper who I think are calling the tune.

**The Speaker:** — Order, order, order.

**Mr. Hagel:** — Well, Mr. Speaker, who are some of these



folks that have been paying the piper, who may be calling the tune behind this little tax strategy?

Mr. Speaker, I have a document here and it has 1988 corporate donations to the Conservative Party — those who pay the piper, Mr. Speaker. Who's paying the piper? Well we've got Alberta . . . We'll go through these in alphabetical order. We don't want to hop all around, and so for the convenience of members who may be making notes here, you want to jot these down, we'll go through in alphabetical order, Mr. Speaker.

Well we've got the Alberta Natural Gas Company Ltd.; they paid the piper to the tune of \$8,000 in 1988. And Algoma Steel Corporation Ltd., Mr. Speaker, \$8,750 from the piper. And Amoco Canada Petroleum Company Ltd., Mr. Speaker, \$20,000 to the PC Party.

**The Speaker:** — Order, order, order. Order. Of course, the debate under consideration is that Bill No. 61, An Act to amend The Education and Health Tax Act be now read a second time. The hon. member was reading into the record donations made by corporations to the government . . . or, excuse me, to the PC Party. On the surface it's out of order, unless you can directly tie it into the debate. And I believe that each one individually must be tied into the debate, if you're going to list each one individually.

**Mr. Hagel:** — Well, Mr. Speaker, okay. I kind of thought this was obvious to members opposite, but that's okay. I don't mind taking the time to make this clear, Mr. Speaker. I kind of thought this was obvious.

Let me just take for example, Mr. Speaker, and relate this directly. I see here . . . Let me use as an example, in alphabetical order, what pops up in front of me here. Here's ATCO — ATCO Ltd., Mr. Speaker, \$25,000 to the PC Party. Now what do we know about ATCO?

Well, Mr. Speaker, the point I'm making is this, is that this strategy of rebating to their corporate friends, where's the money going to go? It's going to go out of the pockets of the people of Saskatchewan, largely to their large corporate friends. Why? Because they are . . . Mr. Speaker, I'm simply making the point. He who pays the piper calls the tune. There's the piper. There's the piper. There's the Minister of Finance; he's the piper. He's the one who says how this tax rebate is going to work. And so who is paying the piper? Who's paying the PC Party?

And lets, Mr. Speaker, when you look at ATCO . . .

**The Speaker:** — Order, order, order. I'm going to once more ask the hon. members to allow the debate to continue.

**Mr. Hagel:** — Mr. Speaker, when we look at ATCO Industries then, are these people who use materials for which they'll pay sales tax? They construct buildings, buy materials, pay sales tax. What also do we know about ATCO Industries because the member over here before, he raised a good point. He said, what about Saferco? Well what about Saferco? Let's just reflect on this point here for a minute, Mr. Speaker, for a moment. Well the member wants to argue about pronunciation. He can say it

however he wants it. I pronounce it Cargill. There it is.

Mr. Speaker, this will be a great surprise to absolutely nobody in this room. But you know what, Mr. Speaker? In 1988 Cargill — oh, oh, they paid the piper to call the tune, Mr. Speaker. Cargill paid the PC Party of Saskatchewan, or PC Party of Canada, \$15,000 — \$15,000 worth of paying the piper, Mr. Speaker. Let's just tie these together. Cargill's . . .

**The Speaker:** — Order.

**Hon. Mr. Hepworth:** — Mr. Speaker, on a point of order, the item before the legislature is Bill 61, An Act to amend The Education and Health Tax Act. When I moved that the Bill should have second reading, Mr. Speaker, in my remarks I was very precise and concise — and I invite you to check the record — I was very precise and concise on what this Bill did. It broadened the base to cover some items which are not now covered, and made provision for tax on side by side as opposed to tax on tax which is the way the law reads today.

I was very precise and concise in my remarks, Mr. Speaker. They made up no more than three or four, eight and a half by twelve pages, Mr. Speaker. And not once did I engage in discussion relative to the issues the hon. member is raising. They are outside the Bill that's before the Assembly, Mr. Speaker.

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

**Mr. Shillington:** — I want to make a couple of brief comments, one of which is, Mr. Speaker, it's such a pleasure to hear the Minister of Finance saying something from his feet for a change. In addition to that I . . .

**The Speaker:** — Order, order. Order, order. I ask hon. members to speak to the issue and I have asked hon. members many times, many times not to refer to the presence or absence of members. I ask them to discipline themselves and stick to that ruling which they are all very much aware of.

**Mr. Shillington:** — I just say very briefly to Mr. Speaker: the whole debate, both in this Chamber and more importantly outside the Chamber, is whether or not the tax is needed. That is the whole public controversy, here and outside the Chamber.

As such, the debate is fairly wide-ranging. We will say here, because I think it's relevant, the tax isn't needed. You should have done X or you shouldn't have done Y. That's relevant. That's the whole public debate, is whether or not the tax was necessary.

**The Speaker:** — I listened to the member's point of order which, as I understand it, deals with the list of corporations or individuals that the hon. member's referring to, who made contributions to the PC Party. As I indicated on that basis as I indicated earlier, the member must relate what a contribution has to do with the 7 per cent sales tax under debate. And on that basis, I believe the point of order is well taken, and the onus is on the member from Moose Jaw North to make his remarks relevant.

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

**Mr. Hagel:** — Mr. Speaker, you know, I find it interesting. I welcome intervention by the Minister of Finance in this Assembly any time. Any time he wants to speak in this Assembly on this tax, it would be welcome.

Maybe one of the reasons he was relatively brief when he spoke about it here, Mr. Speaker, is that he spoke about it here three weeks after it was in place and about eight weeks after he had announced it without even having the courage to come into this Assembly to do it.

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

**Mr. Hagel:** — Oh yes, he says. He calls together a clutch of reporters and he says, here's a new tax I'm going to stick to the people of Saskatchewan. Then he runs for cover. And then he has the gall to stand on his feet in this Assembly and say, people want to debate this tax in the Assembly. What a silly thing.

Well, Mr. Speaker, I understand why the Minister of Finance doesn't want to talk about the connection between contributions to the PC Party from large corporations and this tax, the rebate of which by the policy that he has introduced to this House, the impact will be that it'll go to those who pay the largest amount of PST, which will be the largest corporations, Mr. Speaker.

I think that's a pretty clear connection. And I will understand why he doesn't want to have this kind of information provided to the people of Saskatchewan from the floor of the Legislative Assembly.

But just to make a simple point and to focus on Saferco, Mr. Speaker, let's just look at three actors in Saferco. In connection with employment, I've talked about previously . . . I was previously asked by a member in this House to address the matter of Saferco, and I will do that in the context of the people who were involved there getting a rebate — the rebate, the \$260 million going to large corporate friends from the \$440 million being paid for by taxpayers.

And how do you get a policy like that? Does that make any sense to people in Saskatchewan? It doesn't. But it does if you are providing policies, Mr. Speaker, to those who are paying the piper. If you're paying the piper, then you call the tune that rewards those who paid the piper.

The tune . . . And here's the tune. Oh, yes, the tune is . . . Oh, the minister is disturbed. The tune is the \$260 million. Well, Mr. Speaker, is it any great surprise?

I have brought to this House before, to the attention of this House the fact that in the Saferco project, which is being supervised by Stuart Olson Construction, that when there came opportunity to provide steel buildings, steel building construction on that site, from the city of Moose Jaw a firm with an international reputation wasn't even provided an opportunity to bid. Not even provided an opportunity to bid, to create employment in the city of Moose Jaw and to provide activity for a Moose Jaw firm.

But who got the contract? It was ATCO. Who did they get it from? They got it from Stuart Olson.

**The Speaker:** — It being 5 p.m., the House stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.