

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Devine: — Thank you, Mr. Speaker. Today it is my privilege as Premier of the province to welcome eight distinguished Saskatchewan residents who are seated in your gallery, and one seated behind the rail opposite the chair.

These very special men and women have made outstanding contributions to their country, to their province, and to their communities, and they have been awarded the Order of Canada. Their accomplishments reflect almost every facet of Saskatchewan life from agriculture to education, science, the arts, and our cultural heritage. They have made an important mark in Canadian society, and the honour they bring to themselves casts a glow on all Saskatchewan people.

I want to say, Mr. Speaker, on behalf of the Government of Saskatchewan, I sincerely congratulate each of these accomplished individuals, and I thank them for their vision and the ambition which has enriched all of our lives here in this province.

Mr. Speaker, I will leave the honour of introducing these distinguished Canadians to their members of the legislature and would just ask all members to join me in welcoming them to this Assembly.

Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, we're, I'm sure, all honoured to greet a group of outstanding Saskatchewan citizens, and I want to add my congratulations and those of my colleagues in the official opposition to the words of the Premier.

We are meeting, greeting, and honouring leaders in agriculture, in scientific research and education, particularly university education, and voluntary organizations, and music and painting, and the cause of francophone citizens, and citizens of native origin. And as the Premier indicated, they will be more fully introduced later.

But we are here greeting Joyce Blake and Jake Brown and Sylvia Fedoruk and Bob Ferguson and Howard Leyton-Brown and Father Marchildon and Allen Sapp and Dr. Simpson, and my old colleague-friend Senator John Tootoosis — a distinguished group who in their own way represent some of the ways in which Saskatchewan citizens can serve their fellow citizens. And we're all delighted to have the opportunity to pay tribute to you, to thank you for what you have done, and what you will continue to do in making this province a more interesting and exciting place in which to live.

On behalf of all of us here on this side of the House, thank you.

Hon. Members: Hear, hear!

Mr. Goodale: — Mr. Speaker, I'm delighted to be able to take just a moment of the time of the House at this point in our proceedings to join with the Premier and the Leader of the Opposition in making a few remarks on this very auspicious occasion in our legislature when we are favoured with the attendance of several very distinguished members of our Saskatchewan society.

And with all other members of the legislature I want to join in extending congratulations to all of those that we are honouring today. In reverse form, I guess, we could very sincerely say they are honouring us by their presence here and by their record of accomplishment on behalf of Saskatchewan and of Canada, and certainly, to each and every one of them, congratulations and thank you for their accomplishments.

Hon. Members: Hear, hear!

Mr. Martin: — Mr. Speaker, it is my privilege to introduce to you, and through you to the Assembly, Joyce M. Blake of Regina, Member of the Order of Canada. It is my pleasure to explain to you and to the other members why and what she has done for this community in terms of service.

Starting as a member of the office staff at the University of Regina, she progressed through the ranks to become the institution's director of personnel services, a notable achievement in the world of academia.

In the same manner, Mr. Speaker, she worked her way to the top of community services organizations and her church. Joyce Blake served as president of the Regina YWCA, president of Soroptimist International of the Americas. She served as the first woman people's warden of St. Paul's Cathedral and as director of the "Anglicans in Mission" fund raising campaign in the Diocese of Qu'Appelle.

It is my pleasure, Mr. Speaker, to introduce Joyce M. Blake, Member of the Order of Canada.

Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Speaker, it is my privilege this afternoon to introduce to you, and through you to the Assembly and the people of Saskatchewan, Dr. Jacob A. Brown, Member of the Order of Canada.

This agricultural economist is the former dean of the University of Saskatchewan's College of Agriculture; a former commissioner of the Saskatchewan land bank commission; chairman of both the Saskatchewan 4-H Foundation and the Saskatchewan Task Force on Rural Development, and president of the Canadian Agricultural Economics Society. By his leadership in agricultural education he has trained the youth of the province to be among the world's best farmers. Dr. Brown received the Saskatchewan Award of Merit in 1985.

I would at this time like to ask all the members of the legislature to please join me in welcoming Dr. Jacob A.

Brown, Member of the Order of Canada.

Hon. Members: Hear, hear!

Mr. Prebble: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to introduce to you, and through you to all members of the Assembly, Sylvia Fedoruk of Saskatoon, Officer of the Order of Canada.

Ms. Fedoruk is one of the leading medical biophysicists in Canada, and former member of the Science Council of Canada, Mr. Speaker. She was director of physics services of the Saskatchewan Cancer Foundation, and a member of the Atomic Energy Control Board of Canada. She has been a consultant to the International Atomic Energy Agency in Vienna. She's a member of the Canadian Curling Hall of Fame. And in 1986 Ms. Fedoruk was appointed Chancellor of the University of Saskatchewan and received the Saskatchewan Award of Merit.

Mr. Speaker, I ask all members of the Assembly to join with me in welcoming Sylvia Fedoruk, Officer of the Order of Canada.

Hon. Members: Hear, hear!

Hon. Mr. Lane: — Thank you, Mr. Speaker. It is my privilege and honour to introduce to you, and through you in this Assembly, Dr. Robert Ferguson of Fort Qu'Appelle, Member of the Order of Canada.

This agriculturalist, World War II air ace, and former member of the board of governors of the universities of Saskatchewan and Regina, is a driving force in Saskatchewan's Qu'Appelle Valley. President of the Regina District Association of Regional Municipalities, a former municipal councillor, and now reeve of North Qu'Appelle, he is a former member of the Saskatchewan Conservation and Development Association board, and is so very much concerned with preserving his community's heritage.

Mr. Speaker, it is my honour to introduce again a friend, a man I've been honoured to represent for many years, Dr. Robert Ferguson, Member of the Order of Canada.

Hon. Members: Hear, hear!

Ms. Simard: — Thank you, Mr. Speaker. Mr. Speaker, it's my privilege to introduce to you, and through you to this Assembly, Dr. Howard Leyton-Brown, D.F.C., Order of Canada recipient.

Dr. Leyton-Brown is known as "Mr. Music" in Regina, Mr. Speaker, and this violinist and conductor has made a significant contribution to the educational and cultural life of Saskatchewan. From 1955 to 1986 he was professor and director of the Regina Conservatory of Music. He is responsible for the establishment of the Department of Music and Drama at the University of Regina.

And so I ask the members of this House, Mr. Speaker, to join me in welcoming Dr. Howard Leyton-Brown, Member of the Order of Canada.

Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you very much, Mr. Speaker. It is my pleasure and privilege to introduce to you, and through you to this Assembly, the Reverend Father Arthur Marchildon, Member of the Order of Canada.

While carrying out his duties as a priest in North Battleford, he devoted several decades of untiring effort to the survival and the growth of the province's francophone community. He founded the first French parish in the history of North Battleford, and helped establish a school and a senior citizens' residence there. He also had a part in establishing the first French language radio station in the province of Saskatchewan.

Would you please join me in welcoming to the Assembly the Reverend Arthur Marchildon, Member of the Order of Canada.

Hon. Members: Hear, hear!

Mr. Anguish: — Mr. Speaker, on this, our national honours day, I would like to introduce to you, and through you to this Assembly, Mr. Allen Sapp, Member of the Order of Canada. Mr. Sapp is joined today with his partner, Margaret Sapp; Margaret Berryman, a long-time friend and promoter; and Mr. John Kurtz, his current manager.

Allen Sapp, Mr. Speaker, is a renowned Cree artist from the Red Pheasant band south of the Battlefords. He has attained international stature and acclaim for his portrayals of native peoples and their way of life on his home reserve. He is a member of the Royal Canadian Academy of Art, and many of his works are permanently on display in galleries around the world. Mr. Sapp received the Saskatchewan Award of Merit in 1985, and during lunch it was pointed out to me that Mr. Sapp, when he receives an award, does not only feel he receives that for himself but for his people as well.

Mr. Sapp will be later presenting a book to the Premier and another copy of a book to the Legislative Library entitled *A Cree Life: The Art of Allen Sapp*, which we appreciate very much.

In closing, I'd be remiss not to mention the relationship long-standing between Allen Sapp and the late Dr. Allan Gonor and his wife Ruth, who worked closely with Mr. Sapp. And their vast collection of these paintings will soon be on display at the North Battleford public library, a building that was originally built by the Carnegie Foundation.

I would ask that you join with me to recognize this distinguished individual, Mr. Allen Sapp, Member of the Order of Canada.

Hon. Members: Hear, hear!

Mr. Prebble: — Thank you very much, Mr. Speaker. It's my privilege and pleasure to introduce a second resident of my constituency who's received an award as Member of the Order of Canada. I'm very pleased to introduce to

you, Mr. Speaker, and through you to all members of the Assembly, Dr. Edith Simpson. Dr. Simpson, a former dean of women, Mr. Speaker, at the University of Saskatchewan, and Dean Emeritus of the College of Home Economics at the University of Saskatchewan. She has, as a teacher, as a mentor, and a friend, contributed to the well-being of families throughout our province, Mr. Speaker, as well as assisted greatly in the development of her profession at the provincial and national level.

And, Mr. Speaker, it's my great pleasure to ask all members of the Assembly to join with me in welcoming Dr. Edith Simpson, Member of the Order of Canada.

Hon. Members: Hear, hear!

Mr. Hopfner: — Thank you, Mr. Speaker. Mr. Speaker, it is my privilege and honour to introduce to you, and through you to this Assembly, Mr. John B. Tootoosis, Member of the Order of Canada.

Mr. Tootoosis is known as the elder statesman of Saskatchewan Indians. He has devoted his entire adult life to seeking answers to the grave problems of his people. Beginning when the native organizations in western Canada were in their infancy, he was among the first Indian leaders to assert the right of Indian people to govern their own affairs and at the same time when such sentiments were unpopular. He remains a senior adviser to the Federation of Saskatchewan Indian Nations and the National Indian Brotherhood.

Mr. Speaker, it's again my pleasure to introduce to this Assembly once again, Mr. John B. Tootoosis, Member of the Order of Canada. I ask all members to join with a hearty congratulation.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Cut-backs at Wascana Rehabilitation Centre

Mr. Calvert: — Mr. Speaker, my question will be to the Acting Minister of Health, and it deals with yet another example of your government's cuts to health care and how they impact on Saskatchewan people.

Mr. Minister, the Wascana Rehabilitation Centre here in Regina has been forced by your cut-backs, to cut their staff. This means that on weekends, every weekend, due to limited staff, some of the 58 long-term and geriatric patients are being left in bed for 24-hour periods — left in bed without treatment and without exercise.

Mr. Deputy Minister, are you aware, are you aware of what your cuts are doing and impacting on Saskatchewan people?

Hon. Mr. Taylor: — Mr. Speaker, I'm certainly aware that in the Wascana Park one of the most modern and newest rehab centres in Canada is being constructed at this time as an initiative of this government.

I understand the numbers that the member opposite points out, of staying in bed for 24 hours and staff cuts and

so on. Mr. Speaker, judging from past performance by the critic of Health of the party opposite, I find that many times the statistics and the figures are somewhat stretched, to put it mildly.

Mr. Speaker, it would be my intention to investigate this. I'm not aware of that situation, but I want to make it very, very clear to you and to the members of this Assembly, from past experience I would not take those figures on face value.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Supplementary, Mr. Speaker. Mr. Minister, I take it then you've taken notice of the question and that you will bring an answer back. I ask you a simple question then: what is the use of building large and marvellous facilities if you're not prepared to adequately fund and therefore adequately staff those facilities?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Well, Mr. Speaker, I'd be glad to explain why we decided to build the newest and the best and the top-notch facility in all of Canada. I was the Health minister at the time that we made that decision, and I remember previously that the government opposite wanted to put it out by the Plains Hospital. I remember also that two days before the election in 1982 the then leader of the Government of Saskatchewan said, hurry up and draw the plans for a new rehab centre.

Well I can tell you that under the administration of the Devine government, we looked from side to side of this country, visited every rehab centre across Canada, and I can say with great assurance that what is being built in the Wascana Park is the state of the art, the top rehab centre in Canada. I also want to say . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — I also want to say that it will be the intention of this government to staff that with the best professional help they can, so that we can say in Saskatchewan that we are the leaders in Canada in rehab medicine.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Supplementary, Mr. Speaker. Mr. Minister, I asked and I ask again: what is the use of building marvellous facilities if those facilities are not going to be adequately funded and therefore adequately staffed?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — You know, I can see where the member opposite is coming from, and I remember not too long ago when the now apparent heir to the throne of the NDP party was stated publicly in saying, there isn't a need for new facilities in Saskatchewan — and I want that on the record. That is the stance that the member from Riversdale had regarding new facilities in this province. I can assure you, and I take your figures under advisement because as I said in the beginning, from . . . (inaudible)

interjection) . . . no, from past experience, Mr. Speaker, one cannot put reliance in the statements put over from the . . .

Mr. Speaker: — The member has indicated here . . .

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, new question to the same minister. Mr. Minister, I understand that there is now a plan under discussion at the Wascana Rehab Centre that patients will be asked to pay for the supplies they use — that is they'll be asked to pay for the packages of kleenex and the soap and the shampoo.

Mr. Minister, is that what health care is coming to in this province? That when people are checked into hospital, they'll be given an I.D. bracket and then a price list for services available. Is that your vision for health care in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Certainly not. Those are wild and whirling words. My vision for health care and the vision for health care of this government and this Premier is to be build in Saskatchewan, state of the art, the best that can be devised, the best that can be put together, and that's exactly what we have.

And you come with me and you look at the new floors in the University Hospital; you look at the addition to St. Paul's; you look at the new City Hospital that is being planned and the rehab centre, and then you say that we don't build the best facilities in Canada. I challenge you on that. And they will be adequately staffed also.

Some Hon. Members: Hear, hear!

Budget for the New York Trade Office

Mr. Lautermilch: — Thank you, Mr. Speaker. My question is to the Minister of Economic Development and Trade, and it deals with the new trade office his government plans to open next month in New York.

Yesterday in question period the minister refused to tell the taxpayers what budget he has approved for the New York office. Is the minister telling taxpayers that it's his practice in these times of restraint to open up a trade office with no approved budget and without a clue as to how much it will cost? And if you deny that, Mr. Minister, then give the taxpayers of this province the information I asked for. What is the approved budget for the first year of operation of your new New York trade office?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the member posed the same question yesterday. Let me respond to the hon. member as follows. Saskatchewan, along with Albert and Manitoba and British Columbia and all the other provinces of Canada, have come to the realization that we must not simply look inward to ourselves within our own individual jurisdictions, but we must go out t the world. We must go out to the world. Whether that is in the

Pacific Rim where we trade a lot, we have offices there as do Manitoba and Alberta and B.C., or whether it's to the United States where we also trade a lot — we have to open offices there. And we have to look to Europe and how we can better access those markets of Europe.

The members opposite, what they're really asking is this question, not how much it costs, but what they're really saying is that we should not have offices in New York, we should not have offices in Hong Kong. I think that is short-sightedness; I think that is wrong-headedness.

The world is becoming a global economy, a global village, and I think it's time that we became part of it, and not keep our head in the sand as the NDP would have us believe, Mr. Speaker.

Mr. Lautermilch: — Supplementary, Mr. Speaker. The people of this province know what I asked, and I know what I asked. And I want to indicate to you that everybody is in favour of increased trade.

But, Mr. Minister, are you aware that the Government of Canada operates a consulate in New York City? And are you aware that the Canadian consulate has a staff of 21 trade officers? Mr. Minister, in this era of co-operation between Ottawa and Regina, you are asking the Saskatchewan taxpayers to believe that not one of those 21 trade officers would be prepared to help Saskatchewan businesses and companies to sell their products in the New York area.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well, Mr. Speaker, if we were to follow the logic of the hon. member, the Government of Canada has trade offices or consulates in most of the countries of the world. And so to follow your logic, what you would say is no province should have trade offices outside of Canada. That's in effect what he is saying, Mr. Speaker.

The reality is that Saskatchewan is one of the first provinces, under the leadership of the Deputy Premier, to bring to the federal government the idea of combining the two together.

Let me put it this way, Mr. Speaker. That situation where the federal government have had offices around the world has been in place for a long time. I think the provinces of western Canada have always had the view that the offices of Canada tend too often to support central Canada and disregard that of western Canada, and as a result western Canadian provinces, all four of them, are building their own offices abroad. I think that is proper. The Government of Manitoba thinks that's proper; the Government of B.C. thinks that's proper; the Government of Alberta thinks that's proper. And I would hope, some day, the members opposite would come to conclusion that it's proper as well.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — New question, Mr. Speaker. The minister . . . Mr. Minister, the Government of Saskatchewan has already been paying for a trade

consultant in New York City, one Michael Cohen. The taxpayers are paying him more than \$6,200 a month in salary plus fringe benefits and expenses. Can the minister confirm that over the last 12 to 18 months, Mr. Cohen has cost taxpayers an average of \$10,000 a month in salary, fringe benefits, and expenses? And, Mr. Minister, I ask as well, can you tell us whether Mr. Cohen is, in fact, related to the Premier's deputy minister, one Norman Riddell?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I went through in estimates the other day, the qualifications of Mr. Cohen — 25 years in the service of various companies and international trading. If the member opposite is concerned about saving money, it costs \$30,000 a day to run this Assembly in here for him to practise the debate as a back-bench NDP.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Supplementary, Mr. Speaker. Clearly the minister doesn't want to answer, and I want to say in my supplementary that when patients are paying for kleenex and for toothpaste and those kinds of things and on and on, I want to know how you can afford to spend hundreds of thousands of dollars a year to open a new trade office in New York city unnecessarily and then staff it with one more of your political cronies.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, this individual is truly amazing, truly amazing. He's the token small-business representative on that side of the House. I thought at least he would bring a new dimension, but no, it's the same old thing; it's the same old approach of the NDP — stay in your province; let the federal government do it for you. Well I think the people of Saskatchewan, businesses of Saskatchewan, are starting to grow up, are prepared to go out into the world, and this government is prepared to assist them and help them in that endeavour.

Some Hon. Members: Hear, hear!

Legal Aid Deterrent Fees

Mr. Hagel: — Thank you very much, Mr. Speaker. In the absence of the Minister of Social Services, I'll direct my question to the Premier. Mr. Premier, on Monday the Minister of Social Services informed this House that the legal aid deterrent fees were introduced without prior consultation or approval from the Government of Canada. Consequently the Mulroney government is monitoring legal aid in Saskatchewan with the possibility, I point out, the possibility that federal funding for legal aid in Saskatchewan may be withdrawn.

I ask you, Mr. Premier, to explain why your government introduced legal aid deterrent fees without getting prior approval from the federal Government of Canada?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, I don't accept the hon. member's observations as being fact, and as a result I

will go back and review the situation with the minister and make sure that the details are as he says because I have the feeling that perhaps they're a little bit different.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, and Mr. Premier, I point out, you may want to review the record of the minister's statement in this House when he confirmed that he failed to get that approval in advance.

New question, Mr. Speaker, to the Premier as well. Mr. Speaker, Professor Bill Wardell, who is a nationally recognized expert in legal aid, is quoted in national media earlier this week as saying that Saskatchewan and British Columbia — Saskatchewan and British Columbia — now have the worst legal aid program in Canada, and I quote from Professor Wardell. He says:

We have gone from being a forerunner in innovative legal aid to being a backwater.

Mr. Premier, at the same time one of your own legal aid commissioners in this province said earlier this week that the introduction of deterrent fees has been an abject failure. It's failed to address the budget problems and, as a matter of fact, has driven people in need away from legal aid offices.

And I ask you, Mr. Premier: will you do what is right; will you withdraw the legal aid deterrent fees, fight the deficit by tackling waste within your government, and return to the poor of Saskatchewan the right to legal counsel? Will you do what is right, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I have taken notice of the question with respect to the facts that the hon. member put forward. I will say subsequently that we are examining all of the welfare programs that we have in the province of Saskatchewan to make sure that we can be as fair as possible in providing the kinds of services to those who need them, and also to make sure that we have the kind of money necessary to provide new kinds of services for those that need new ones, and we will continue to examine those, Mr. Speaker.

Some Hon. Members: Hear, hear!

Investment by SaskPen in Real Estate

Hon. Mr. Lane: — Thank you, Mr. Speaker. I took notice the other day — there were two questions, one from the opposition's finance critic, and one from the member from Regina Victoria. The allegation made that the Government of Saskatchewan, and I quote:

... "speculate" — on commercial real estate... "with Saskatchewan pension plans because of a report from the Provincial Auditor.

In checking the matter, Mr. Speaker, it turns out that the investment in the properties questioned by the Provincial Auditor was made not by this government, and not by this Minister of Finance, but by the previous Minister of

Finance, the member now from Regina North East, and the investments were made, Mr. Speaker, so-called speculation of pension funds were made and approved by the deputy minister of Finance on December 31, 1981, Mr. Speaker.

Secondly, Mr. Speaker, the member from Regina Victoria, by implication, made the allegation that the Government of Saskatchewan had invested in First City's and the second company in Alberta. That simply is not true, and no investments were made.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, to the Minister of Finance, that is the most bizarre answer that this House has ever heard to a question that has been asked of a minister.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — He did not even respond to the question, and I will repeat it to him now. Maybe if he takes notice again he will provide us with the answer which he should have had today. The question was: why has SaskPen not provided to the Provincial Auditor the financial statements for the years 1984, 1985 and '86? He did not answer that. And the other question was: how much was there in amounts of money is disagreement between the evaluation of the assets between SaskPen and the Provincial Auditor, which is another part of the issue and the other question which I asked which the minister did not respond to.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I will refresh the hon. member's memory because it is obviously getting short for whatever reason. The question's imply was when you made the allegation, turned out to be wrong, that the government was speculating on commercial real estate, and your question was, and I will quote it verbatim: "... will you inform this House which those real estate properties are?"

The real estate properties that you call speculation, that you approved the investment and your government, are the Bank of Montreal site at Scarth and 11th in the city of Regina; the Royal Bank site at 11th and Hamilton in the city of Regina; the McCallum Hill site at Scarth and 12th in the city of Regina; the Grosvenor site, Scarth and 12th in the city of Regina; and a parking garage site, Cornwall Street, between 11th and 12th Avenue in the city of Regina. And that is a specific answer to the question you asked.

Secondly, with regard to the valuation of properties, the question asked by the Provincial Auditor was a question as to the valuation of the particular time. The response from the auditors to the Provincial Auditor was that the properties are bought as an investment vehicle and are held over a long period of time, and that the properly . . . accounting principles are that they are carried on the books at cost. The Provincial Auditor was asking whether they should be carried on the books at cost or not, and that was the question asked by the Provincial Auditor. It is

properly accepted accounting principles that development property is held at cost.

Secondly, Mr. Speaker . . .

Mr. Speaker: — I think the minister has made a point.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A supplementary to the minister, Mr. Speaker. Mr. Minister, will you address the question: how much is there in disagreement in value between your department, which has only been a disagreement for 1984, '85 and 1986 when you were in this government's office opposite. How much is the value of the disagreement between the Provincial Auditor and your officials or yourself on these investments?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — It's my understanding that the department and the Provincial Auditor are still discussing, but it looks like there will be no difference in valuation. And there'll be no difference in valuation that they accept that investment properties held over a long period of time are carried on the books at cost, Mr. Speaker, as they are.

The hon. member also asked why we established . . .

Mr. Speaker: — Order, please.

Hon. Mr. Blakeney: — Mr. Speaker, I wonder if I might direct a question to the Minister of Finance. It has to do with this doctrine which is now promulgated by him that the proper accounting practice is to value development properties at cost even though they may be worth less than cost. The proper practice is to value them at cost on the financial statement.

My question to you is: is not that exactly the same accounting doctrine which caused the collapse of Pioneer Trust, and is that not exactly the same accounting doctrine which caused the collapse of First Investors? Isn't that, in each case, the reason why they collapsed is because they continued to value development property at well above its real value?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — That was certainly part of the question in the province of Alberta. I think it fair to say that the hon. member is not now standing up when he was premier of this province and saying that he, in fact, speculated with government employees' pension funds in risky ventures and risky property, which was the allegation made by the member from Regina North East. I think it fair to the hon. member that these were carried at cost, that the sites were, I believe, as they are today, except for the Royal Bank Building, and that the properties are being fairly valued.

If our allegation is: did you in fact speculate when you were the premier of this province with pension funds moneys? well that's up to you to respond, Mr. Speaker, or we accept the argument that this was an investment of

government employees' pension funds over a long period of time, which was a reasonable investment, and they're being carried at fair value.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. I wonder if the minister would try once more to answer the question. Does he support the accounting doctrine, which he just said he did, which says that development properties should be held at cost, even though their current value may be much less. Do you support that, or do you not?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I think the more fundamental question is exactly the one . . .

Mr. Speaker: — Order. Order, please. Order, please. Order, please. The minister is attempting to answer the question but is not getting much co-operation.

Hon. Mr. Lane: — Certainly, Mr. Speaker, the hon. members don't like the answers they're getting to day, but it is quite clear, Mr. Speaker, that the accountants believe that this property is to be carried at cost. That is the position that the chartered accountants are taking.

Secondly, it is up to you to answer to the taxpayers and to the pension fund owners, whether you speculated or not, because you bought the properties and I remind this.

Thirdly, Mr. Speaker, they ask about SaskPen properties. Let me advise the hon. member opposite from Regina North East, that prior to, and in their administration, they bought a company and invested in a . . .

Mr. Speaker: — Order. Order, please. Order. Order. I'm afraid the member is off the topic.

Some Hon. Members: Hear, hear!

Opening of Grasslands Park

Mr. Lyons: — Thank you very much, Mr. Speaker. My question today is to the Minister of Environment concerning the establishment of the hoped-for and long-awaited grasslands park in south-western Saskatchewan.

Mr. Minister, it's my understanding that you've negotiated an agreement with the Minister of the Environment, the federal Minister of the Environment, Mr. Tom McMillan, that the water rights dispute that held up grasslands for so long has now been settled. I wonder, sir, if you could confirm that story. And secondly, could you give us some kind of date as to when we can expect the opening, now, of grasslands park here in Saskatchewan?

Hon. Mr. Swan: — Mr. Speaker, I'm indeed pleased to reply to the hon. member's question. To say that the dispute is resolved would be a little presumptuous. I did meet with the federal minister. We broke what was a deadlock in negotiations, and negotiations are ongoing at

this point in time, and the officials have been meeting this week. I can't give an exact time frame on when we will see a grasslands park, but it is my anticipation that we should see one before the end of this year.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 46 — An Act respecting the Saskatchewan Institute of Applied Science and Technology

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill respecting the Saskatchewan Institute of Applied Science and Technology.

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

Bill No. 47 — An Act respecting Regional Colleges

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill respecting Regional Colleges.

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

(1445)

Hon. Mr. Berntson: — Mr. Speaker, it has been previously arranged and understood, I think by both sides of the House, there is a gathering scheduled in room 218, I believe, to meet and mingle with our honoured guests. So I ask that we recess until 3:30, Mr. Speaker. And for the information of the members, at about 3:30 the bell will ring and that will be the signal to resume the sitting. So I ask that we recess till 3:30.

Leave granted.

The Assembly recessed until 3:30 p.m.

ORDERS OF THE DAY

Hon. Mr. Berntson: — I wonder if we might have leave to go to government business directly to adjourned debates to deal with Bill 19.

Leave granted.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the motion by the Hon. Mr. Lane that Bill No. 19 — **An Act to amend The Education and Health Tax Act** and the proposed amendment thereto by Mr. Koenker, be now read a second time.

Mr. Kowalsky: — Thank you, Mr. Speaker. Mr. Speaker, we are debating today an amendment to Bill 19. The

government has proposed Bill 19, which would take the education and health tax up from the 5 per cent which it is now at, to a proposed 7 per cent, which is completely unfair and a move which betrays the government's promise of 1982 to reduce the education and health tax.

As a result, the opposition has proposed an amendment, an amendment which I would like to read into the record at this time again, Mr. Speaker, and that is:

That all the words after the word "That" be deleted in the Bill 19 and that the: Bill not now be read a second time, because: the 40 per cent increase in the provincial sales tax is a betrayal of the Progressive Conservative promise to eliminate the provincial sales tax in their first term of office; and the 40 per cent increase in the provincial sales tax makes Saskatchewan people among the highest taxed in Canada; and because the 40 per cent increase in the provincial sales tax is a regressive and unfair tax on Saskatchewan families.

Mr. Speaker, members of this side of the House who have spoken on this Bill prior to myself have repeatedly mentioned that the government would never have had to go back on its promise if the government hadn't been so incompetent in the last five years and had set up a program which would have not led to the tremendous deficit that we now face — a deficit of \$3.4 billion, plus an additional 10 billion that the Crowns now owe.

We remember quite well the rhetoric that the Premier used quite early in his first mandate. And I recall the papers talking about the Premier talking to a New York audience, saying that Saskatchewan's economy was in such good shape it could even be mismanaged for several years and we'd still be all right. It seems that the Premier's vision was not quite as far-sighted as he was giving himself credit for. Or perhaps he just took himself seriously and decided to test that theory, to test his own hypothesis, and we now have a record that indicates just how dismal his forecast at that time was.

I have here in my hands the record, the fiscal record of the province of Saskatchewan under this Premier, under the existing Premier, the member from Estevan. The record shows that they . . . when they gained government, they forecast a budget of \$219 million deficit. They forecast that — 219 million.

But what was the budget? What did it actually come out to? How close did he come? Well he forecast 219 million and he actually came in at 227 million. Well, a little bit of a miss, not enough to get really concerned about, but a bit of a miss. So we noticed it. Now prior to that time, Mr. Speaker, Saskatchewan had not had any deficit, had not had a deficit budget.

Then we look at 1983 and '84. The first figures I read were '82-83. Then we look at '83-84, the second year of this Premier's administration. And they said, well last time we sort of underestimated our spending abilities. So they forecast the budget this time for 316 million. They raised it by nearly 100 million and they raised the prediction by nearly 100 million. But how close did they come? Well we found that this Premier, who had predicted 316

million, actually came in at 331 million. Oh, oh! We see the difference between the prediction and the actual increasing.

And then the same thing happened again in '84-85. They predicted that the budget was going to be a deficit of 267 million. They predicted a decrease in the budget deficit. But what actually happened is, it went up again., and this time to 379 million. Now I repeat those figures — 267 million was the predicted deficit, and it actually came in at 379.

Now we go to 1985-86. Again it very much looks like somebody was looking at this through rosy coloured glasses because the predicted budget was 291 million. And where does it go? It goes to 584 million. Twice, nearly twice, Mr. Speaker, what was predicted.

And then in 1986-87, the year where we had the budget dribbled out — dribble by dribble by dribble, and it wasn't till June 17 that we finally got it. But they predicted for that — pardon me, I'm going back to 1986-87 — they predicted a deficit of 389 million. Now that's a \$389 million deficit, Mr. Speaker. And what was it? It actually came in at 1.2 billion — nearly, nearly three times the predicted value. In fact it is over three times the predicted value.

Now what happens here, Mr. Speaker? The government has done two things with this. First of all they've indicated, through this kind of record, complete incompetence, inability to run and manage a government with balanced budgets. And secondly, we see that we have been deceived year after year after year by their predictions. And the last one illustrates it even the most clearly.

This year the budget has been predicted at 577 million — at that deficit. We don't know what it's going to be. But last year we know that it was 1.2 billion . . . there was a \$1.2 billion deficit, and this one looks . . . \$1.2 billion deficit, and this time it looks like it could be that or more.

Well, Mr. Speaker, I talked earlier and I referred to the promise. I said . . . to the promise that they made, and the promise being the promise of reducing the sales tax. And I have in my hand here a list of — a mimeoed list of advertising that was conducted by the Progressive Conservative Party prior to the 1982 election, and I want to put some of these things on record.

The quick reference for candidates that is titled *Pocket Politics* states right here that in fighting inflation that a PC government would battle inflation by . . . and one of the statements that stares right out here they will:

phasing out the provincial sales tax.

Well that was just advice, advice to the candidates.

And then we saw the materials that went public, that everybody had a chance to observe, and I have here a copy of an ad from the people of Estevan were subjected to in the 1982, an ad under which the Premier made a commitment, and right there the . . . one of the headlines says, "Eliminate the 5 per cent sales tax in clothing and

utility bills,” and then it says:

We have a commitment to the complete elimination of the sales tax in its first term of office. . . (meaning his government’s first term of office).

Well I wonder what the people of Bienfait think about that promise now, Mr. Speaker. And I wonder about the housewives at Lampman, or at Torquay; and I wonder about the senior citizens at Midale, all of these people being in the riding of the Premier. Can they believe the Premier when he says that the budget deficit this year is going to be 577 million, when in the years previous they’ve been out by as much as 300 and 400 per cent?

(1545)

Now that wasn’t just the Premier, Mr. Speaker, who made these kind of claims. And I think that if we look at them individually, look at claims made by other members, such as the member from Melville, and in some electioneering material that the now Minister of Labour from Melville has, and he has put out, he mentioned here that one of the policies for good government will be tax cuts.

Now this Bill which they introduced certainly doesn’t represent a tax cut, if you’re increasing the E&H tax from 5 per cent to 7 per cent. And he has right here that he will remove the 5 per cent E&H tax.

Now this was passed around, not just to people that lived in Melville, but it was passed around to people who live Goodeve, people who live in Ituna, farmers that live around, and ranchers around Balcarres, Lebret. I wonder what the people of Lemberg think about this.

And I wonder, if the minister would go back now to the people of Abernethy, would he say, well I misled you? Or would he have to say, well I didn’t want to mislead you, but this is what my Premier made me do? I wonder what he’s say, what approach he’d use. And I wonder if the member from Melville will actually vote for this Bill, because the minute he votes for this Bill it belies his promise of 1982.

Now the member from Melville is not the only one that has done this. I have before me here now, Mr. Speaker, a picture of the member from Kelsey-Tisdale. Now the member of Kelsey-Tisdale went around to talk to the people of Hudson Bay and the people of Prairie River, people of Weekes. He went to the people of Porcupine Plain, and I’m sure they had a chance to look at this pamphlet, and they would probably be very interested in being reminded that one of the statements in his campaign literature said that what they will do is give a 10 per cent across the board cut in personal income taxes.

Now in the Bill that accompanies this Bill, this is Bill 27, Bill 27 . . . it does exactly the opposite. It raises the flat tax. Now it would be interesting, Mr. Speaker, it would be interesting to hear what this member from Kelsey-Tisdale would say to his people in Archerwill or in Tisdale, and what he has to say to them when they ask him how he voted on this particular Bill.

Next I have here a piece of paper which has on it a picture of the minister who was the former Minister of Finance, the present Minister of Justice, the member from Kindersley. Now you will recall that he was the person that presented the most intelligent budget. I wonder which one it was that was the most intelligent — the one that missed by 30 million, or the one that missed by 50 million, or the one that missed by something like 800 million? Now it wasn’t the one that missed by 800 million; that we can attribute to the present minister.

And in this document — and it’s interesting here because it’s in very small print, Mr. Speaker, it’s in such small print that you almost need a magnifying glass to pick it up — but under the headline that says, “Eliminate the 5 per cent sales tax on clothing and utility bills,” it says:

This measure will be the first phase of a new PC government’s commitment to the complete elimination of sales tax in its first term of office, and its commitment to ease the burden of inflation for Saskatchewan citizens.

Well, Mr. Speaker, when these kinds of statements are made and distributed to people around the constituency, and that includes towns like Plato, Eston, Eatonia, Brock, and Plenty. . . I wonder what the people in Plenty — the schoolteachers who have made a very valuable contribution to education in the province through some of the innovations — I wonder what they say when the minister comes back and says, well I’m going to have to renege on that promise.

What’s he going to say about the next one? What are the people in Dodsland going to say? Or is he going to be able to go back and say, well I didn’t really want to do it, but the Premier is making me do it? Is that what’s going to happen? The Premier and the new Minister of Finance. I didn’t really want to do it. Which one?

And it’s not only those people that he went to, Mr. Speaker. It’s the people at Coleville, Major, and Marengo that also were subjected to this literature.

Mr. Speaker, I have here a pamphlet, a copy of a pamphlet that was distributed in the Maple Creek area to the people in Gull Lake, the people in Tompkins, in Piapot, Sceptre, and Leader by the member from Maple Creek. And I look through this, and there are a series of promises. And as you go down there you get one promise which says a 10 per cent across-the-board cut in personal income taxes, which relates to again Bill 27 which accompanies and is a Bill that is being introduced and debated presently in the House, along with this Bill 19, which is proposing an increase in sales tax from 5 per cent to 7 per cent.

Mr. Speaker, as some of these examples that I have given — and I could give other examples that I have here, members from Melfort and several others — and in each case we find that we have a broken promise, a betrayal. And that’s why we have to oppose this particular Bill. It’s a broken promise, just like the Bill now which was introduced just recently in the House to abolish PURC (Public Utilities Review Commission), which was a promise to the people of Saskatchewan. It was also a

broken promise, just like the promise to reduce the gas tax which was recently upped to . . .

Mr. Speaker: — Order, please. Order, please. The member is starting to wander from the topic, and I would ask him to get back on.

Mr. Kowalsky: — Thank you, Mr. Speaker. I will abide by your order, and I will try to relate the material a little more directly.

I would summarize, Mr. Speaker, by saying that when we look at the effect of this Bill — it's an increase in the education and health tax, from 5 per cent to 7 per cent, which represents a 40 per cent increase. This is a betrayal of promises.

It came about, Mr. Speaker, because of the incompetence of the government, because this government, when they found that they had amassed a \$3.4 billion deficit, decided that — and found that — they could no longer borrow money at rates which were preferred rates, decided to do a little study. And they hired a company by the name of Coopers & Lybrand, and Coopers & Lybrand told them, well, they had to do something about it. And they've decided to cut services and to increase taxes — exactly the opposite as promised in '82 and, of course, not even mentioned in the election in 1986.

So, Mr. Speaker, I close with that, and saying that there's no way that my constituents or the members on this side can support Bill 19.

Some Hon. Members: Hear, hear!

Ms. Smart: — Thank you, Mr. Speaker. It's important for me, representing the constituency of Saskatoon Centre, to stand and speak in support of the amendment that's been brought forward by the members on this side of the House, and to speak against a Bill which proposes to increase the taxes, the sales tax, from 5 per cent to 7 per cent.

The news and the effect of this tax, which is already in force, has fallen as a very heavy burden on the constituents in Saskatoon Centre who I represent, as well as on all the people in the province of Saskatchewan. It's just one more of a number of increases in taxes which people have had to bear at this time when their incomes are slipping and the cost of living is going up and up.

And it's important to me, as I said when I was talking about the flat tax, the fact that the government members opposite have not risen in this House to debate these increases in taxes and to tell the people of Saskatchewan why they're doing this at this time, particularly when they have been elected on a promise of cutting out the sales tax altogether.

They must justify the increases that they said they wouldn't make. They must stand up in this House and debate this. If they don't, it's another sign that they don't respect this legislature and that they're failing to engage in the debate which is part of the process of governing in a province. And to me it's another reflection of the incompetence of a government that will bring in changes

that they're not prepared to defend — not prepared to defend these changes. Another example of incompetence.

It's so interesting to see that the Premier's own election brochure — and many people on this side of the House have quoted those brochures already — promised the elimination of the 5 per cent sales tax on clothing and utility bills as the first phase of a new PC government's commitment to complete elimination of the sales tax in its first term of office, and it's commitment to ease the burden of inflation for Saskatchewan citizens. The burden of inflation has not been eased, it's been increased. The cost of living has gone up higher and higher in Saskatchewan.

The PC government did not eliminate the sales tax; it did not keep its promise to the people of Saskatchewan; and it did not keep faith with the low and middle income people in this province. Instead it now wants to raise the sales tax, raise the flat tax, raise the gas tax, raise the taxes on the cities by withdrawing provincial funding, and hurt the people of Saskatchewan over and over again with this huge burden.

My colleagues have said that this is a Bill of betrayal, and that is very much what it is — betrayal when the tax goes up from 5 per cent to 7 per cent, when they said they were a party that would eliminate the sales tax altogether.

There have been many points made in the House in debating this education and health tax increase already, and I still think it's important to say them again. Increasing the sales tax hurts consumers, and as the critic for Consumer and Commercial Affairs, I feel a particular mandate to point that out — the sales tax going up, the consumer price index going up, and the burden going up.

Incomes are going down, people are being laid off by this government, and they can't afford these tax increases. The people on fixed incomes can't afford these tax increases. The people on the small farms and others who are self-employed can't afford these tax increases. Yet they all have to pay the sales tax.

It hits everyone, even the people on social assistance, even the people with \$123 a month for food, clothing, and all their personal needs; the people who now have had their transportation allowance withdrawn from them, the people who have had their laundry allowance withdrawn from them, so they don't even have the money for washing their clothes. These are the people that have to pay this sales tax. It's a higher and higher burden on people with low and middle incomes. And it is an extremely unfair tax.

The small businesses that I represent in Saskatoon Centre can't afford this added tax either, because the people who they do business with are going to have less to spend on the goods and services that they offer, when they have to pay more in their sales tax, more for their gas, more in the flat tax, more in their income, tax, etc., etc.

This Bill to increase the education and health tax is unfair, it's cruel, and it's uncaring. And this is a government that's been incompetent, that has no credibility, and it has no compassion.

An Hon. Member: — A rotten government.

(1600)

Ms. Smart: — Completely rotten government, uncaring about the lower-income people particularly.

One section of this Bill, for example, repeals the mobile home refund program so that people who buy mobile homes have to pay the taxes on them. Now housing problems are very acute across this province. Many, many people can't afford homes, and a mobile home is often the one kind of home that people can afford who are living on low income. But now they're going to be hurt. Their housing opportunities are going to be taxed. It's always the people on the lower income scales that are bearing the burden of the decisions made by this government. And I think, as a member who represents many low-income people, I really raise my voice in strong protest about increasing the sales tax.

I found it interesting too that my colleague, the member for Regina North, pointed out that there's no education and health tax on things like investments; that people who already have money can buy shares in companies and have many other ways of investing their money without having to pay an E&H tax. So it goes again to show that it's only the essentials that get taxed, and not the possibilities for investment.

I was interested to read in the *Star-Phoenix* of September 25, the Business Council of National Issues speaking on the federal tax saying:

Consumers, not business, should pick up more of the tab for the planned cuts in personal income taxes . . .

And this body is described as "a powerful corporate lobby group." They say:

And Finance Minister Michael Wilson must quickly bring in a new sales tax or face the possible loss of business support for his tax reform package . . .

Another new sales tax at the federal level being proposed by the PC federal government in conjunction with the increase by the PC government provincially of the sales tax provincially. More and more taxes on the people of Saskatchewan. But this council says:

Failure to act swiftly may bear heavy consequences, among them the disintegration of business support for the federal tax initiative in its present form . . .

A council composed of the heads of 150 major Canadian corporations — that's where the pressure's coming from to increase the sales tax; to increase the sales tax at the cost of consumers and to protect the interests of people who already have money. It's just another example of the way in which this government, the PC government opposite with its lack of compassion and its lack of caring for the people of Saskatchewan, is prepared to put this tax

burden on the backs of people who can't afford it.

Other colleagues on this side of the House have pointed out that this increase in the sales tax is not going to education and health, as it's called the E&H tax. Instead those services are being cut back. And someone, my colleague from Humboldt, the member from Humboldt, has asked the question: why do we need this increase in the sales tax? Why indeed?

This PC government can't read a balance sheet. It doesn't believe in properly audited statements, and it would have us believe that we have a huge deficit and have to pay taxes and more taxes to pay it off. But no one knows for sure what the deficit really is — nobody knows for sure.

The auditor's having problems with this government; the opposition is having problem with the government in finding out exactly how the money's being spent. So we can't answer the question, why we need this increase in the sales tax.

We know though, that the money is going to pay for the salaries of people like George Hill and Paul Schoenhals and the other party hacks that are being funded by this government. We know that the money goes for airplane trips and other fringe benefits for the government opposite. We also know that this money that's being collected — sales taxes on the backs of the people with low incomes — is going to pay things like exorbitant rents for private properties that are owned by people who already have a lot of money. For government services, these rents are being paid to private properties rather than having the government use property that they already own and that's available public space.

Yesterday in Saskatoon Centre I attended a reception hosted by the consumers' association in the new office of the Premier set up on 22nd Street, right across the street from the Sturdy Stone Building. They've moved out of the Sturdy Stone Building and set up an office across the street in a privately owned building. The excuse is that there's no store-front space available and they want to put the office down where people can reach it. There's already store-front space available in the Sturdy Stone Building which is already owned by the government, and that space could have been used for that office.

Instead, we increase the sales tax to pay the rent on a building that's owned by somebody already with wealth so that the office of the Premier can be there. If the Premier wants to have his office where it can be easily reached by the people in Saskatoon, I call on the people of Saskatoon to go to that office and tell this government exactly what they think about things like the increase in the sales tax.

The government wants to be open to the people of Saskatoon. Then I urge them to go, let them know what's happening, let them know that this money that they're taking on the backs of all the people in Saskatchewan is not going for staff in the health care institutions; it's not going for better roads; it's not going for the basic social services that we have long enjoyed in this province; it's not going for all the things that we so badly need.

The money is being raised by increasing the taxes and by giving away assets and services that we already own. That's how money is being raised in this province and it's a real crying shame that this is happening.

I think it's just appalling, for example, to look at what's happened to the Saskoil shares. And I will tie this in with the sales tax because the issue is how money is raised in this province and how we are losing the resources that we already own. I note, for example, that in the latest report, 62.04 per cent of the shares of Saskoil are now owned by people in Ontario, but only 258 people in Ontario own those shares — 62 per cent. There are still over 7,000 people that own shares in Saskatchewan. But if 258 own shares in Ontario, of 62 per cent of the Saskoil shares now, that suggests to me that it's not individuals that own those shares, but that it's probably Canadian branch plant companies from the United States.

I wouldn't be at all surprised if our resource, our Saskoil resource, has gone out of province, and out of the country — control of it. And that was a resource and that was a company that was to bring revenue into Saskatchewan to pay for the services and to pay for the really fine health and education systems that we used to have in this province. Now we don't have them. They've been taken away, they've been destroyed by this incompetent government and we are still facing higher and higher taxes to pay for the hand-outs that have been given to people that this government favours.

I think that the people opposite should have the courage to debate this. I put out some challenging comments to the people opposite, to the PC government opposite, and I would like them to have the honesty and the responsibility to stand up and tell us why they're doing this, so that the people of Saskatchewan can understand your thinking and your ideology. You should be proud of it. You ran for election on it. It's part of this democratic process that you represent, a way of thinking and a form of logic that requires that this be explained. And this House deserves to have that kind of honesty and that kind of debate.

It's very badly needed. But I'm afraid that from a government with the lack of credibility that this government has, the lack of competence that this government has, the lack of competence to read a balance sheet or to understand the impact of added taxes on people, and to understand what happens when you sell off our resources, and from a government that obviously doesn't care . . . It obviously doesn't care because it's made up of people who've never had to try to live on very low incomes. You don't know what it's like not to have a home, and not to be able to afford one. You don't know what it's like to not be able to afford the basic necessities.

You're quite prepared to support a federal government that wants to increase the sales tax. You're quite prepared to do it yourselves. I protest that on behalf of the constituents that I represent. I join my colleagues in support of this amendment, and I join them in condemnation of this increase in the sales tax. Thank you.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Thank you, Mr. Speaker. I'd like to make a brief intervention in the debate here today. The remarks I have will be in support of the amendment to this very important Bill, tax collectors Bill, to raise the education and health tax from what has traditionally been 5 per cent in the province for a number of years, to an amount of 7 per cent.

Now, Mr. Speaker, I would say that people never particularly like to pay tax. But the majority of the population see a need for taxation because the taxation translates into services for them, that any particular government might place before them as representatives, as governments that represent them in establishing some equity in the province, making sure that people are provided for, and we have social programs, and that they have housing, and they can feed and clothe their families. So they can understand taxation.

And taxation is usually brought in when it can provide the least pain to the individuals who have to pay the tax or during a time where people can be impressed very heavily with why the taxation is necessary. And I don't remember the specific time myself, Mr. Speaker, nor likely do you, but I understand that the First World War — the war they called the Great War to end all wars, and of course we all know there were more wars after that — but just before the Great War to end all wars, the government of the day in Ottawa decided to bring in a taxation Bill to charge personal taxation, to charge income tax.

And at that time it was a very, very temporary measure, they described it as, and of course we all know now that the government was never able to again remove income tax as a burden on people within the country. And of course the income taxes continued to escalate, especially in the area of personal taxation.

If you go back to the period, Mr. Speaker, in the early 1950s, it worked out that corporate taxation paid about half of the income tax generated, and personal income tax the other half. And we've come to a point in time today where the amount of tax that's paid by corporations is down in the teens, about 12 to 14 per cent, and the balance of the taxation is raised by personal income tax.

And it just seems to me that taxation charges over the years, but there are times, Mr. Speaker, when it's more palatable for the public to pay tax than in other times. And I use that example of income tax coming in prior to the First World War where people saw the need for taxation. It was a very dire moment, and we wanted to defend our country and wanted to have the assets and the tools of war that were required to defend the British Commonwealth and all of our friends in different parts around the world.

Now we're in a situation, Mr. Speaker, where the public in Saskatchewan don't understand more increases in taxation because to a large extent the current government has got themselves into a difficulty, very difficult situation of having a very heavy burden of debt hanging over their heads and a requirement to gradually at least pay that off. And I've never seen any plan to actually pay it off.

But people aren't seeing the services that they receive being comparable to the tax that they're being asked to

pay. And I hear that on a more recurring basis each time I'm back in The Battlefords or in different places in the province. People don't want to pay any more taxation, whether it's personal income tax, or whether it's flat tax, or whether it's a sales tax or a gas tax. People feel as if they're taxed enough. And they don't see any dramatic situation that affects them, such as a war, for a need for taxation. And they don't see an increase in benefits that they're getting back by paying the taxation load.

(1615)

And I would want to talk, just briefly, for an example of using road contractors within the province of Saskatchewan. I know many of my colleagues on this side of the House have talked about how taxation has affected people on the lower end of the economic scale. But it also affects a number of people that have traditionally been on what we might call the middle or higher end of the taxation scale as well, and I think road contractors are a very good example. The road contractors' association have met recently in Saskatchewan, talking about the vast underfunding of highways in the province of Saskatchewan, in fact right across Canada, and how there's going to have to be several millions of dollars put into our road system before they deteriorate to such an extent that they're not able to repair those roads, that they in fact will likely have to rebuild them.

So road contractors are having a very difficult time right now because there isn't enough work to go around, that's usually funded by the government, for them to keep busy and generate the levels of revenue that they've been traditionally used to.

And then the government comes along and introduces a taxation Bill which increases E&H tax, the sales tax, the education and health tax, by 40 per cent, Mr. Speaker. It goes from 4 per cent to 7 per cent— a 40 per cent increase. Now that might not be a lot if you're going to buy yourself a tooth-brush, or if you're going to go out and buy yourself a barbecue for your backyard. But when you're looking at a piece of road machinery that could cost you \$200,000, the taxation bill on that now, Mr. Speaker, is \$14,000 that that road contractor has to pay on a piece of road equipment that would cost \$200,000. And \$200,000 for a piece of equipment is not an unduly high amount, Mr. Speaker. That happens with a fair degree of regularity when contractors are in position to buy a piece of machinery.

And not only does it cost them \$14,000 now for that piece of road equipment that would cost \$200,000, that's an increase, Mr. Speaker, from the 5 per cent, from \$10,000 to \$14,000 — an increase for that particular contractor, Mr. Speaker, of \$4,000 just by a simple stroke of the pen of the government opposite in increasing that type of tax. And I think that that runs true for many small-business people in the province that rely on purchasing capital equipment to keep their operation going. And they're having a hard time to justify why they would want to support this government.

And I can't understand why the government wishes to make these heavy burdens of taxation on Saskatchewan people right now when they can ill afford to pay those

levels of increased taxation. And the government, Mr. Speaker, I would warn them through you, are becoming very, very unpopular out there because of the sad state of the economy and the increase of taxes like this particular tax.

The road contractors as well, Mr. Speaker, and this ties in — I hope you give me some small degree of latitude. But the gasoline tax that came back on, many of the bids that went in on pieces of road that were tendered through the Department of Highways were bid on the basis of a particular price on fuel. And of course we know that there's now been a 7 cent a litre increase. The tax that had been removed . . . Were you referring to me, Mr. Speaker?

Mr. Speaker: — Just carry on.

Mr. Anguish: — And that's just one sector of our economy. The road contractors have been very, very heavily hit. It can mean tens of thousands of dollars, Mr. Speaker, for a road contractor when you look at the price of fuel jumping 7 cent per litre. And then when you look at the cost of their equipment going up — for example, I used an extra \$4,000 on one piece of equipment — I think that there must be some message coming through to the government that people are not any longer in a position to pay increased taxation. And so I suppose I don't want to be just critical, Mr. Speaker, I think that there has to be some alternative suggested to the government that they could follow to pay off the very heavy debt that we have. And I think it is more important than many people realize is that that debt be paid off so we don't burden future generations with a debt that was created in a very short period, a relatively short period of time by the government opposite.

And my suggestion is, Mr. Speaker, that we have to look at the resources in the province of Saskatchewan. If people are supersaturated, so to speak, with the taxation burden that federal and provincial and municipal government place upon them, then where else do you turn. And I suggest, with all due respect to you Mr. Speaker, and through you to the government, that we have to look at our resource sector for paying a larger share of the dollars that are needed to maintain services and pay off the debt in the province of Saskatchewan.

And I think unless the government does take that notice and look at that very carefully that, Mr. Speaker, there aren't going to be many of those members on the government side of the House that are returned after the next election. And I know that that's a few years down the road, but people have it ingrained very deeply in their minds as to what the taxation burden is. And members opposite can stand up and say how good the taxation system, how low the taxation system is in Saskatchewan, but you can't tell people that and make it stick because they know what they're being forced to pay in taxes. Whether it's an individual, whether it's someone who's on a fixed income or a small-business person or a road contractor, they know that the taxation burden in the province of Saskatchewan, Mr. Speaker, is very heavy. They understand the transfer of taxation from provincial governments to municipal governments.

What affects individuals in the province of

Saskatchewan, Mr. Speaker, is the money in their pocket. And there isn't much money in their pocket right now to pay these taxes, and I think the government should sit up and take notice, otherwise there won't be many of those members opposite that are returned after the next election.

I just want to say, Mr. Speaker, in conclusion, that the amendment we're putting for here today is:

that all the words after the word "That" be deleted and the following substituted therefor:

Bill No. 19 not now be read a second time, because: (a) The 40 per cent increase in the provincial sales tax is a betrayal of the Progressive Conservative promise to eliminate the provincial sales tax in their first term of office; (b) the 40 per cent increase in the provincial sales tax makes Saskatchewan people among the highest taxed in Canada; and (c) the 40 per cent increase in the provincial sales tax is a regressive and unfair tax on Saskatchewan families.

And I thank you for your indulgence here this afternoon, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, I, too, would like to enter into this debate and just talk about the promise given by this government to the people of this province.

They promised to reduce sales tax; to reduce the income tax — income tax by 10 per cent, they said. What they gave us is a flat tax. They added to the cost of living — the highest in Canada — they added to the cost of living in this province. With the increase in the E&H tax to 7 per cent, as it has been mentioned, a 40 per cent increase, Mr. Speaker — 40 per cent. Can you imagine if anything else increased by 40 per cent. How great it would be for people to increase their wages by 40 per cent. But in one slash of the pen they increase the taxes by 40 per cent, taking away spending power from the people of this province, drying up the economy and putting it into the hands of Tory hacks. And where is the promise now?

I have here a commitment, a little brochure that was put out, and it says "commitment." Supposedly, if you were reading it you would think it was a commitment to the people of Saskatchewan.

Eliminate the 5 per cent sales tax on clothing and utility bills.

A picture of the Premier of this province right underneath "commitment."

This measure will be the first phase (and I'm quoting) of a new PC government's commitment to complete elimination of the sales tax in the first term of office, and its commitment to ease the burden of inflation for Saskatchewan citizens.

I promise, I commit, said the Tories, and what did they

do? They broke that promise to the people of this province, leaving the people of the province saying: why? Can I not trust a government that says in no uncertain terms that they are going to reduce my taxes, and as soon as I turn my back, they're carving more taxes out of me?

What type of impression are we leaving on the people of this province, not only on the voting people, on the young people who have to sit and listen to their parents talking about why governments can't be trusted. Governments in general can't be trusted because they reverse their promises.

And the people out there, Mr. Speaker, the people that are talking to me when I go out to the coffee shops are saying they lied to us. And I will not . . . I just say, because that's what the people are saying. They misled the people of this province. They led them down the garden path, and as soon as the people gave them their confidence, they knocked the feet right out from under them. What a betrayal, Mr. Speaker, to the people of the province.

And what, I ask, what will the 40 per cent increase in this E&H tax be used for? I have a nice little old lady in my constituency, a senior, who said to me, they promised to give me a free phone — promised to give me a free phone. And she says, I didn't get my free phone, but what I got was increase in taxes.

And she says why — why — do they need to increase my taxes when they said they were going to give me free telephones? She said, who is minding the store? Didn't they know that there was going to be a need for an increase in taxes before the election? Didn't they know they weren't going to give me a free phone? She said, who is in control?

How many members, Mr. Speaker, opposite, I ask, knew the state of affairs? Or did they go around blindly on the orders of a few power people in cabinet, in powerful positions in the Tory caucus, saying, you do this and you do that? The Premier says it on his brochure, so it must be gospel. Did the people in the back benches of that . . . members opposite over there, did they not realize what was going to happen? Did they have no input? Or were they the puppet on the string of the Premier, saying, listen to me, boy; I'll get your elected. Where is the commitment to your people in your constituencies? Where is your gall to stand up and defend their rights? And that's what you're elected for.

Instead, what we have is mute silence, not saying anything to defend the move, and I know why. I wouldn't, either, if I told the people, my people, that I was going to reduce their taxes, their sales tax to zero, and I turned around and increase it. I certainly would be hiding behind my desk or lurking in the hallway somewhere.

Some Hon. Members: Hear, hear!

Mr. Upshall: — We have to know where this money is going to be spent, and I ask some questions: will it be spent in agriculture? Will it be spent for a soil test . . . money to soil test labs or money to feed test labs? I mean, 40 per cent increase, two cents, that's a lot of money going to be coming in, but those things are gone, so

they're not going to use it for that.

Will it be used to fund the farm purchase program — great Tory promise? Will that money from taxes be used to fund that? What farm purchase program? It's gone. Will it be used to help those farmers that have Crown leases and can't meet their commitments? Will that increase in the E&H tax be used to help them stay on the land a little longer so if we get over this crisis that we're in they'll still be there? They're foreclosing on them, so it won't be used for that.

Will it be used, Mr. Speaker, will it be used to help the farmers in rural Saskatchewan by establishing crisis centres where many farm families now are in crisis because of the severe economic conditions? Will it be used to put into place buildings and people to counsel, to help them over this? No, it won't, because they just cut the Yorkton crisis centre; instead of increasing they're cutting that too.

(1630)

So I wonder, I wonder where all this money is going to be used. Will it be used to maintain the dental program in schools so families can have good access to easy dental care instead of pulling their families out of school and driving to the dentists, incurring more costs besides the two cent increase, and the 40 per cent increase on their E&H tax? There's an added tax. Instead of using this 40 per cent increase to fund the dental program, they cut it. So we have people paying the 40 per cent increase; we have people paying to take their kids to a dentist. So you can add that on to your E&H tax too as a hidden tax.

Or will it be used to carry on the prescription drug program to the seniors, especially, of this province, who need their drugs desperately, and many poor people who can't afford them? Will this 40 per cent increase be used for that? No way. Cut her back.

This may be a little thing, but will it be used to give grants to agriculture and horticulture societies — and I know members opposite think that maybe is a bit of a hoot — a cultural activity in small towns every year that the majority of the people go to and attend and enjoy themselves. Will it be used to maintain that or increase that? No way. They're cutting them back. So here again, another hidden tax, because that money's got to come from somewhere. And you know where it's going to come from — out of the people's pockets. So you can add that on to your 40 per cent increase.

Will this be used for grants to . . . urban capital grants? Gone. It won't be used for that. Add some more on because the money's got to come from somewhere. Will it be used for school grants for teachers? It won't be used for that either. It won't be used for that, so what are they going to use it for?

I would ask members, instead of speaking from their seats, if they want to get up and defend this, defend it on your feet, because it's the people in your constituencies who you have to answer to, not me. And they know that they've been betrayed; they know that you've led them down the garden path. And I guarantee you, it won't

happen again.

All these programs, Mr. Speaker, that have been cut in this province, and add that to the 40 per cent increase in the E&H tax and you have one lot more than 40 per cent, because that money has to come out of the people of the province . . . out of the pockets of the people of this province, and that's the only place it's going to come from. It's not being used for health to decrease the waiting lists. It's not being used to keep the hearing aid plan or help . . . Mental health, cut 100 positions. That money is not going to patient care fund; it no longer exists.

Our health capital fund no longer exists, so what do you need the money for? Let me tell you, Mr. Speaker, what the government needs the money for. This government needs the money for patronage like George Hill, Paul Rousseau, Gordon Dirks, Currie, Parker, Embury, Schoenhals, and the list goes on and on. Add that to Bob Andrew's little flits around the country on government expense. That's where the money is going, the E&H tax is going to, and that's why it's being imposed upon the people of this province.

It is going to be used, Mr. Speaker, to line the pockets of Tory friends — people like Peter Pocklington. We need money for Peter Pocklington. We need money for Weyerhaeuser, Manalta Coal. We need money for the oil companies.

Picking pockets of Saskatchewan people and giving it to people who least need it, this is the legacy that's being left by this government. The people are being trodden down by high taxes and uncaring government, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Mr. Speaker, again I would ask — and this is the crux of the whole thing, because what we're talking about here is the confidence of the people of Saskatchewan in government.

When you promote a promise or a commitment as the Premier of this province did, when you spread that across this province saying, elect us, this is what we will do, you are creating an atmosphere, you're creating an environment of mistrust. And I say to the back-benchers over there, I would like you to stand up, break your chains from the power of the caucus and the Premier; break the chains from the incompetent management that has led to your . . . this is leading to your demise in your constituencies.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Stand on your feet and tell the people why you need to have a 40 per cent increase in the sales tax. Stand up and tell them.

Mr. Speaker, in closing, I would just like to say, this tax Bill for all intents and purposes, does about three things. First of all it lays the groundwork for a mistrust in government, and that is the lowest form of hypocrisy that I've ever seen. Secondly, it takes money out of the pockets of families in this province who cannot afford more taxes — they have children to feed; they have businesses to

run. And I guess the third thing it does, Mr. Speaker, it tells me that this government of Tories simply cannot be trusted.

Mr. Speaker, I will be supporting the amendment.

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order, please. Order, please.

Mr. Rolfes: — Thank you, Mr. Speaker. Mr. Speaker, you notice that I delayed somewhat in getting up during this debate because during the last speaker, my colleague from . . . Oh, Mr. Speaker, I'm sorry, this is my wallet. I'm afraid the Minister of Finance will come in and we're talking the taxation Bill. I'd better lock it up. Mr. Speaker, I suggest that the taxpayers of Saskatchewan do exactly the same thing as I did here. Lock up your wallets because the tax man is around in the name of the member from Lumsden.

Mr. Speaker, what we are discussing today is Bill 19, an Act to amend the health and education Act. And before I begin, Mr. Speaker, so that you don't rule me out of order, I want to convince you and convince the House that one of the main reasons that we have Bill 19 before us and many of the other taxation Bills, and why the government opposite had to increase taxes in almost every sphere of our lives, every sphere of our lives, is twofold: one, that we have an incompetent government opposite; and secondly, Mr. Speaker, because their counterparts in Ottawa, the Mulroney government, refuses to collect taxes of about \$30 billion that have been outstanding for a number of years.

Now so that you don't rule me out of order, Mr. Speaker, I want to say to you that if the government opposite, if the Premier and the Finance minister would convince the Hon. Michael Wilson and Mulroney to collect those taxes, Saskatchewan would benefit to the tune of about half a billion dollars. A half a billion dollars, Mr. Speaker, would wipe out — if this minister is accurate this year with his deficit — would wipe out the deficit for this year.

That why, Mr. Speaker, I want to talk today in this discussion, not just the incompetence and the mismanagement of this government, and the wrong priorities that this government has put on its taxation policies, but also in their lack of competence in dealing with the federal government. As I indicated, there are companies now who are delaying the paying of their taxes that are duly owed by them to the federal government — and consequently we would reap the benefits of that in Saskatchewan — who are delaying it because they are hoping for tax reform.

And if you have tax reform, the federal minister has already indicated that he would reduce the rate of corporate taxes in this country. If that is true, then the company, the corporate citizens of this country will benefit to a huge extent. Some indicate that they will benefit at least to the tune of \$6 billion to \$7 billion of taxes that they would otherwise have to pay. I will address that, Mr. Speaker, a little bit later in my speech. Now the reason I say I indicated that, because I wanted to tie the two together so I would not be ruled out of order.

I want to go back, Mr. Speaker, and say as many of my colleagues have, this Bill is about broken promises. This Bill is about betrayal. This Bill is about mismanagement. This Bill is simply about incompetence.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — This Bill is about incompetence. In 1982, Mr. Speaker, when the people of this province decided that they wanted a change in government, they left this government with \$140 million in the kitty. What did they do with that . . . (inaudible interjection) . . . The member from Wascana says, rubbish. Is he saying that the former minister of Finance, the member from Kindersley, and the member now who's the Finance minister, lied when they signed the annual statement? Is he saying that? Is he saying that they were deceitful? Is he saying that they were deceitful? Because they signed the annual financial statement, Mr. Speaker, which is sitting in my office, and had I known that the member from Wascana was going to bring it up, I'd have brought it along, where they signed the statement saying that there was \$139 million surplus in the kitty in 1982 when they took office.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — It wouldn't surprise me, Mr. Speaker, that they were somewhat deceitful, because how can a Finance minister be out \$800 million and not be deceitful to the people of this province. I say that that was done intentionally to get themselves re-elected . . . (inaudible interjection) . . . Mr. Speaker, I notice that the Minister of Education is back again babbling from his mouth with very little sense coming out of it, and I would ask him, if he's so interested in speaking, he should defend his colleagues and his Finance minister and speak in this debate.

But, Mr. Speaker, I want to say that . . . I said it was incompetence. I say it's incompetence because a week before the budget came down, a week before the budget came down, in speaking to a group in Saskatoon, the Premier, when asked about what the deficit would be, indicated that the deficit for this year would be about \$1 billion — a week before the budget was presented in this House.

Now if you have a competent Premier who runs the Executive Council, surely, Mr. Speaker, he would have known that the following week the Minister of Finance — his Minister of Finance — would present a budget, not with a deficit of \$1 billion, but with a deficit of \$540 million.

Who, Mr. Speaker, is deceitful? Is the Minister of Finance deceitful? Is the Premier deceitful? And I say, Mr. Speaker, I can only conclude that both are. They're both incompetent; they're both deceitful.

And should we have expected something different? Of course not. Look at the Minister of Finance preceding him, and his calculation of the deficit. He was way out, as my colleagues have indicated. This minister hasn't been close to any of his calculations. What can we expect? What can we expect, Mr. Speaker, from an incompetent

government, a government that mismanages, a government that hasn't got the interests of the ordinary folks in mind but, as my colleagues have indicated, only their friends? They want patronage, and that's it.

(1645)

Excuse me, Mr. Speaker. Mr. Speaker, I see the member from Moosomin indicates I should put my wallet back in. I want to tell him, it's locked up in here while he's in this House, because he sits on the Executive Council and, Mr. Speaker, he was one of them that increased my taxes and the taxes of the people of this province by \$265 million. That's why my wallet is locked up in here. And I say to the people of this province, lock up your wallets while they are in government, because you won't have anything left by the time they get through with you. That's the kind of racket we have from this government.

Mr. Speaker, I say that there's incompetence because how otherwise can you expect, how otherwise can you expect a headline like this: "Devine, Lane split on impact of tax reform" . . .

Mr. Speaker: — Order, please. The hon. member knows that the use of members names is not permitted.

Mr. Rolfes: — Mr. Speaker, every member in this House quotes from type . . .

Mr. Speaker: — Order. Order! Order, please. Yesterday in this House, I ruled that the use of members' names even if they are in quotations will not be permitted, and I don't expect any further discussion.

Mr. Rolfes: — Mr. Speaker, two weeks ago you allowed it in this House in question period.

Mr. Speaker: — Order, please. I want no further comments from the hon. member as regarding this ruling. And I've clearly stated the ruling. I ask the member to get on with his speech and make no more inferences to any type of a challenge to the ruling.

Mr. Rolfes: — Mr. Speaker, I just want to say that when governments change, rules change. They change for taxation, they change . . . When government change, rules change. And we see them changing as far as taxation purposes are concerned. And those aren't the only rules that are changed.

I was absent from this House for four or five years and I know that rules have changed, and they've changed certainly as far as this government is concerned when it comes to taxes.

Mr. Speaker, as I indicated, there is mismanagement by this government. There certainly is incompetence. I indicated earlier, a week before the budget came in, the Premier when asked what the deficit would be, indicated it would be about a billion dollars. He was only out by about \$500 million — the Premier of this province, a week before the election . . . before the budget came down. Then a little bit later when speaking to the press again about tax reform, the Premier says, no — tax reform, Wilson's tax reform will have no impact, will

have no impact. But his Minister of Finance says, oh, it is going to have a tremendous impact, and we may have to come in with a tax proposal next fall.

What I'm saying, the point I'm trying to make, Mr. Speaker, is that if you have incompetence, then you should expect mismanagement. And that's what we've seen over the last five or six years. It proves the point that I want to make.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, I indicated a little earlier about the federal government not collecting the taxes that are owed. And we have here again a headline in *The Globe and Mail*, "Deferred tax corporate windfall". That's the point that we want to make on this side, Mr. Speaker, is that the government opposite and their colleagues in Ottawa simply have the wrong priorities. If I as an individual owe the federal government \$100, well I'll tell you it won't take them long to collect it. Why should that rule not apply equally to their corporate friends?

As this article indicates, over \$30 billion owed by several corporations to the federal government, and they do nothing about collecting those taxes. And I want to read into the records just what the impact of the tax reform is going to have. It says . . . (inaudible interjection) . . . well I'll read them to you:

All will find (all corporations will find) that the government does not really want more than 1 billion of the total 5.5 billion this trio — corporation giants — has already set aside to pay future taxes.

And the member asks me, which are they? Well, Canadian Pacific Ltd., Bell Canada (Enterprises) Ltd., and Imperial Oil Ltd. Those three, Mr. Speaker, owe the federal government — at least they think they owe and have set it aside — over \$5 billion. And yet if tax reform comes in, all that the federal government expects them to pay is \$1 billion. Why, Mr. Speaker? Where is the fairness? Those taxes are owed by the corporations. Surely if you and I owe money, they'll collect it. Why should those three giant corporations, which have made huge profits, which could well afford to pay them, why should they be forgiven \$4.5 billion so that then this government — who would get a portion of that back from the federal government — so that this government has to increase the education and sales tax, health and education tax here in this province. That, Mr. Speaker, is unfair.

As I indicated earlier, if the whole \$30 billion of deferred taxes was collected, and I challenge the members opposite, your share would be about \$550 million. It would erase all of your deficit for this year. You could do away with all the tax increases that you had this year — all of them. You wouldn't have to increase any of your taxes. That's where the unfairness comes in, that's where your incompetence comes in, and that's where your mismanagement comes in.

An Hon. Member: — The unfairness comes in the

formula you guys worked out. That's what it is.

Mr. Rolfes: — That is not our formula. That is a formula that is stated by the federal government.

Mr. Speaker: — Order, please. Order, please. Order, please.

Mr. Rolfes: — Just so that we'll put it in perspective, and as I indicated before, Mr. Speaker, this Bill and all these taxation Bills are related to what has or has not happened at the federal level. And if we had a competent government, if we had a government that saw to it that the federal government, of which they are of the same political persuasion, were to carry out their duty, we wouldn't be debating today a health and education tax increase of 40 per cent. At least we shouldn't be.

Well the member said, he's wrong, and maybe I will grant him that, because the way this government has managed money they probably would have bungled the whole thing of the \$550 million would be down the drain too. And maybe he's right, and I'll grant him that. But an ordinary competent government would have known what to do with that money.

Mr. Speaker, there are many indications that we have had one of the highest tax increases by this government since they formed the government in 1982. But this year alone, this year alone it says . . . I have an article here in the *Star-Phoenix*, June 18. It says: "Tax man takes \$265 million bite". That's what the Finance minister took from the pockets of the people of this province. Mr. Speaker, that is unfair. It is almost criminal when you look at how much the people in this province have suffered due to the mismanagement and the wrong priorities established by the people opposite.

There are thousands of people in this province who don't have jobs. There are thousands of people who have suffered under the policies put forward by the Minister of Social Services. There are thousands of people, Mr. Minister, who have left this province because there was no future for them.

What did we have in 1982? And I well remember in 1982: bring our children home. Let's bring them back. Let's give them the alternative. We're open for business; there's a bright future. Yes, there is a bright future for those youngsters, because now they are somewhere else. They are no longer in this province. And all due, Mr. Speaker, to broken promises, incompetence, and mismanagement.

Mr. Speaker, the Minister of Finance often wants to brag in this House and outside the House that we are the second-lowest taxed people in this province. Simply not borne out. I don't know where he gets that from. Or is it a further proof of the deceitfulness of what's going on, and that they don't care what they say to the people, that as long as they get re-elected, that's the ultimate objective?

And if it is, Mr. Speaker, it is no wonder that so many people out there, as my colleague for Humboldt had indicated, who are so cynical about government and politicians. Can we blame them out there, of what's

happened in this country since 1982, when this government . . . these people formed the government, and re-elected in 1986, and the dozens of broken promises? And to top it all off, when the Mulroney government was elected in 1984 — all the broken promises we've seen from that government. Can we really blame the people out there for being cynical of us, of politicians and government? I say, no, we can't. And there is a lot of cynicism out there. It's time that we start being truthful with our taxpayers and our residents out there.

Mr. Speaker, I want to show now that the Minister of Finance simply either has his facts totally mixed up, or he deliberately does not give the facts to the people. Now it says here that the Fraser Institute — and certainly the Fraser Institute is not a friend of the opposition; they are friends of the members opposite, and we know how they send people to their conferences to gather what the next thing will be suggested by the Fraser people. The Fraser Institute indicated that . . . or it says: a June 1987 Fraser Institute report shows Saskatchewan people are more heavily taxed . . .

And I want the member from Swift Current to listen to this. It says, a June 1987 Fraser Institute report shows Saskatchewan people are more heavily taxed than those in Newfoundland, Prince Edward Island, New Brunswick, and even NDP-run Manitoba.

Now, Mr. Speaker, how can the Minister of Finance claim that we are the second-lowest taxed people in this province?

An Hon. Member: — Deceit.

Mr. Rolfes: — Deceit — that's what it is. It's nothing else. And I don't think, Mr. Speaker, that even the Minister of Finance is that incompetent that he can be out by \$800 million on one budget. I don't believe that. Surely, Mr. Speaker, there must be some — as some of my colleagues have said — some cooking of the books. And I just don't believe that the members on treasury board and members on the Executive Council are that incompetent that they couldn't have judged it closer than \$800 million.

Mr. Speaker, getting back to taxation. I want to read an article here that was put forward, Mr. Speaker, by the final report of the Local Government Finance Commission. And this was a commission, Mr. Speaker, as you probably are well aware, that was established by the government opposite, and it is a submittal to the . . . Well, okay, the Minister of Finance — I can read his name again, obviously which I find really, well, incredible. I don't know. But I've been in this . . . Well, okay, better not get into that. Twelve years experience means nothing; it's all down the drain, I guess.

The personal income tax, the member from . . . Oh, she's back. Well, welcome back.

Mr. Speaker: — Order, please. Order. Order, please. Order, please. I think the debate is getting a bit out of hand, and without mentioning any names, let's get back to the debate as it should be.

Mr. Rolfes: — Mr. Speaker, if you bring the members to

order I will speak, but if I'm interrupted I think I have the opportunity to respond.

Mr. Speaker, I want to just read from this article. It said if you add on the flat tax, the effective rate of income tax for this province is 55.7 per cent. But now if you add on the 40 per cent — this was before the 40 per cent increase in the education and health tax — that 55.7 per cent would be much higher. This, Mr. Speaker, brought forward by the Local Government Finance Commission set up by the government opposite. If they don't believe the other figures, surely they would believe their own commission.

An Hon. Member: — No we don't.

Mr. Rolfes: — Well they don't even believe that one.

But it says before the 40 per cent increase in education and health tax, it said this would suggest the 55.7 per cent in federal basic tax. This would suggest that income is currently being taxed substantially, more heavily in Quebec, British Columbia, Alberta, and Ontario.

Mr. Speaker, I have a lot more to say, and I wish now to adjourn debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly adjourned at 5 p.m.