

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Hon. Mr. Hepworth:** — Mr. Speaker, I'd like to introduce to you and through you, five people seated in your gallery, sir. These are constituents from Weyburn. They include: Myrtle Evans, Marjorie Hagen, Helen Stewart, Frances Stewart, and Charlotte Watson.

Mr. Speaker, these people are in Regina today to participate in a program voluntarily, a seniors' life-style research project, Mr. Speaker, that looks at the whole question of fitness, life-style, and physical activity patterns of older adults. It's being conducted at the Dr. Paul Schwann Centre at the University of Regina, and they have agreed to do this public service, if you like, on behalf of . . . as part of a sample group on behalf of all seniors across the province.

I would just ask them to rise, Mr. Speaker, and that all members of the legislature would welcome them here to the legislative proceedings this afternoon, Mr. Speaker.

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

**Hon. Mrs. Smith:** — Thank you, Mr. Speaker. I'm honoured today to have in to your gallery, a group of 46 students from Oman School in Swift Current. They have with them today 14 adults, and, Mr. Speaker, about three-quarters of this group are in the French immersion class. They are also one of the older schools in our city and in fact this year are celebrating their 75th birthday as a school, along with the city of Swift Current which is celebrating its 75th birthday.

I want to welcome them, and I will look forward to meeting with them after question period, and I would ask all members to please join me.

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

**Mr. Trew:** — Thank you, Mr. Speaker. It gives me pleasure today to introduce to you, and through you to members of the Legislative Assembly, a guest seated in your gallery, a Mr. John Maximiuk from Grenfell. John is in Regina for the day and decided to take in some of the proceedings in the legislature this afternoon.

I ask all members to join me in welcoming him to our Legislative Assembly.

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

**Mr. Sauder:** — Thank you, Mr. Speaker. It's indeed a pleasure for me this afternoon to introduce to you, and to my colleagues in the Assembly here, a group of visiting students from Wagner Elementary School in Nipawin. I believe there's 50 students; they're from grades 3 and 6 classes. They're accompanied today — and they're in the west gallery, by the way, Mr. Speaker — they're accompanied today by their teachers, Bev Gunnlaugson,

Freeman Reynolds, and Mr. Charles Webber. As well, they have chaperons, Marilyn Gray, Evelyn Sholter, Elaine Thorne, Sylvia Palmer, Cheryl Fraser, Tammy Gobert, and Dawn VanDorpe, and bus drivers, Jean Berriault and Terry Grandfield.

I understand they're attending various other places in Regina in their tour down here. I hope that they have an enjoyable time here in the legislature this afternoon, and informative and educational. I look forward to meeting with them at 3 o'clock for pictures and a short discussion period after to discuss what they've seen here.

I would just ask all members of the Assembly to help me welcome them here to Regina.

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

**Hon. Mr. Klein:** — Thank you, Mr. Speaker. I too would like to welcome the school children from Nipawin. It's obvious, as you look at them in your gallery, Mr. Speaker, that they've got their faces painted. It's going to be kind of a humorous picture to look at, I think, as a remembrance of their visit here.

But I had the opportunity to bring greetings earlier in the day, with Her Honour the Lieutenant Governor, at the second annual Regina International Children's Festival. And I'm sure that they're going to enjoy their visit there, and as a matter of fact I understand there's going to be 35,000 children attend that before it's over on Saturday.

I welcome all the other school children, if they haven't seen that yet, to go and have a lot of good time there on a visit there later in this day. Thank you.

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

**Mr. Solomon:** — Thank you, Mr. Speaker. I'd like to join with the member from Regina South in welcoming these students who are here this afternoon that will be attending this International Children's Festival. I had the occasion to attend the official opening at noon hour today, and it was a perfect day. There were thousands of school children there, and they're going to be entertained, I think, with about 45 different acts. And I'm sure they're going to have a great five days in Regina, and I hope that you enjoy the session today, and I hope that you enjoy in particular the events of the children's festival. Thank you.

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

## ORAL QUESTIONS

### Farm Poverty in Saskatchewan

**Mr. Prebble:** — Thank you very much, Mr. Speaker. My question is to the Minister of Social Services. Mr. Minister, yesterday Michel Smith, top official at Family Services Canada, rejected your ludicrous notion that there's no poverty in Saskatchewan. This week we have a report published by the Faculty of Social Work at the University of Regina, the Riches report, which shows that since welfare reform was introduced, when food banks were established in 1984, that since that time food bank use in

Saskatchewan has increased some 89 per cent in Prince Albert, some 70 per cent in Regina, and some 165 per cent in Saskatoon.

Mr. Minister, my question to you is this: do these startling figures in the increase of food bank use in this province not indicate to you that poverty is very real in this province, and that in fact what you are doing, Mr. Minister, is using the food banks of this province as a substitute for decent social assistance rates and fair jobs for the people of Saskatchewan that all poor people in this province deserve?

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

**Hon. Mr. Schmidt:** — Well, Mr. Speaker, for families with children we have the third highest social assistance rates in Canada, behind only Ontario and Alberta, and not much behind those two provinces. Our cost of living is not as high as Ontario nor as high as Alberta. So therefore when taken into account, our rates are consistent with the best rates in Canada, and there's only so much that we can do. We'd like to do more, Mr. Speaker, but there's only so much we can do at any given time. Our rates have been increased regularly, and our rates are, relatively speaking, as high as the rates were under the NDP.

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

**Mr. Prebble:** — A new question, Mr. Speaker. Mr. Minister, you know that's not true, because every time you increase the basic allowance you cut back on other areas of social assistance, like the travel allowance, and therefore the rates have not increased a penny since 1981.

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

**Mr. Prebble:** — Now, Mr. Minister, my question to you is this: in light of the fact that you've cut the rates for single people who are employable from \$581 in 1981 to 375 maximum today, in light of the fact that you haven't increased the minimum wage more than 6 per cent although inflation's been 43 per cent over the last seven years, I wonder, Mr. Minister, if you could explain to us how you expect that there can be no poverty in Saskatchewan when you force social assistance rates down in this way and frozen the minimum wage. Haven't you made it impossible for people to pull themselves up by their bootstraps when your minimum wage has been frozen for so long in this province?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, I did not say that there are no poor people in Saskatchewan. I said that there is no poverty, and there is no mass poverty in this province. There are some people who are poor, but it is not for lack of this government spending money on the poor people of Saskatchewan.

We have, as I indicated, the second or third highest rates — it depends on how you want to play with the statistics — but I will acknowledge that they are at least no worse than the third highest rates in Canada, behind only the two richest provinces in Canada. And therefore, I submit

to you, Mr. Speaker, that the Government of Saskatchewan and the taxpayers of Saskatchewan are doing everything reasonable to eliminate poverty in this province.

I do not deny that there still are some poor people. There always will be people who are poorer than other people. But there is not mass poverty, and that's what the dispute is here — the amount of poverty. And I say that if there is poverty, it's not through lack of trying from this government to help people.

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

**Mr. Prebble:** — A supplementary question, Mr. Speaker, to the minister. Mr. Minister, do you deny the report of the National Council on Welfare that says we have the second highest rate of family poverty and child poverty in Canada. Do you deny, Mr. Minister, the fact that that excludes native families living on reserves, of which we have far more than the most poor province, which is Newfoundland? Do you deny, in fact, that when those native families are included, Saskatchewan has the highest rate of family poverty and the highest rate of child poverty of any province in Canada because of the policies of your government?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, what we have here is the opposition playing a little political sensationalism with the lives of people and with the statistics. We have two elements: we have, yes, many . . .

**The Speaker:** — Order, order. I'd like to ask the hon. member to refrain from interrupting the Minister of Social Services.

**Hon. Mr. Schmidt:** — Mr. Speaker, we have many Indian families living on Indian reservations which are paid out of the federal treasury. And secondly, those statistics would not be totally accurate because they do not include the housing provisions provided by the federal government, the education provisions, and the non-tax status of those families. In addition, we have farm families who have low incomes, and those families have been helped by the provincial government.

So when you take into account the fact that we have a high percentage of Indian population, which is federal responsibility, and is cared for by the federal government under different rules, and the farm population, which this government and the federal government have helped as much as possible, I say those statistics are not accurate.

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

**Mr. Prebble:** — A new question, Mr. Speaker. Mr. Speaker, my question again to the Riches report, but this time the failure of your work-fare program, Mr. Minister. The vast majority of work-fare jobs created thus far have lasted only 20 to 23 weeks, long enough just to get people off welfare and onto unemployment insurance, and not to reintegrate them into long-term, permanent employment.

Mr. Minister, will you not acknowledge that your

work-fare program is a failure; that it has failed to create long-term, meaningful jobs for people; that all it has done is taken people off welfare and onto unemployment insurance, and then they go back to a life without hope and without work as a result of the failures of your policies, Mr. Minister. Will you not admit that that is the result of your work-fare program?

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

**Hon. Mr. Schmidt:** — Well I say to you that even your Mr. Riches has reported that there were 1,678 fewer cases between '84 and '88, which shows that welfare reform is working. The actual numbers are higher than that. But welfare reform is working, and you only have to go and look at the pool in Watrous which was built by people who had jobs rather than being paid to do nothing — people who have pride in their work. Go to Elbow harbour, and if you have time, go to your own city of Saskatoon and look at the river banks and the improvements that are being made there, and the Meewasin Valley Authority — and then you go to those workers and tell them what they're doing is useless, because that's what've you said today. We are giving those people a job, training experience, and pride in themselves, and you have the audacity to come here and say that this is all useless. Well these are useful projects for the people and the workers.

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

**Mr. Prebble:** — Final supplementary, Mr. Speaker. Mr. Minister, your work-fare program isn't working because you only give jobs to people for 20 weeks instead of giving them long-term, decent-paying, permanent jobs.

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

**Mr. Prebble:** — Now, Mr. Minister, you know that your welfare . . . the number of people on welfare is 20 per cent higher than it was when you took government seven years ago.

And my question to you is this: will you not admit that in light of the failure of your work-fare program, the only way that you've been able to take any people off the social assistance rolls is by illegally cutting at least 1,500 people in the last 18 months off social assistance in violation of the Canada Assistance Plan Act? Isn't that the only way that you're able to succeed in taking people off the welfare rolls is by illegally cutting them off?

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

**Hon. Mr. Schmidt:** — Well, Mr. Speaker, I'm a lawyer, and I can confirm for you that it's not illegal to work in this country.

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

#### Sale of Silver Lake Farm

**Mr. Thompson:** — Thank you very much, Mr. Speaker. I direct my question to the minister of privatization. I would like to ask some questions about the sell-off of the Silver Lake farm, Mr. Minister, at Green Lake.

Mr. Minister, as we understand it, this farm with the livestock and feed and buildings is currently valued at \$2.5 million. By way of information, Mr. Speaker, considering the Silver Lake farm with 1,800 pure-bred head of cattle, 4,800 acres of developed land, houses, numerous barns and outbuildings, is a much larger operation either than Ile-a-la-Crosse or the central farm at Green Lake, my question to you, Mr. Minister, is: why did you transfer the smaller operation to the community and sell the largest one off to some of your friends in Prince Albert?

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

**Hon. Mr. Taylor:** — Well certainly, Mr. Minister, or Mr. Speaker, as I pointed out before, there were four northern farms. Three of them have been transferred to the surrounding villages, that of Cumberland House, Ile-a-la-Crosse, and Green Lake, and I understand both Cumberland House and Ile-a-la-Crosse are quite satisfied with the arrangement. The one farm, Silver Lake farm, was put out for bid for all people in Saskatchewan. The people of Green Lake were able to bid on it, as were 13 other groups. Theirs was not the successful bid; it went to another group, a group from Prince Albert which was a much stronger bid. I've said, when the documentation is completed, I will table that bid in the House so that everyone in Saskatchewan can see what was paid for this asset.

But I think the member opposite does not give credit to the extent of the central farm. As I understand, the central farm is about 9,400 acres, Mr. Speaker. The buildings and the assets — this is the Green Lake one — worth about \$290,000, and 50 per cent of the hog and cattle operation is about \$300,000. So if you add all those up, you'll see that the value of the assets is approximately, with the buildings, \$590,000, not counting the price of the land, which I think would be well in excess of a million that the community of Green Lake have been given for a dollar. And I think that's very reasonable.

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

**Mr. Thompson:** — New question, Mr. Speaker. Most certainly that is a big difference between \$3 million on the Silver Lake farm and \$500,000 on the central farm. You can see where your priorities are.

Mr. Minister, the people who work at that farm in Green Lake built it from nothing to what it is today, the Silver Lake farm. It has become a viable operation and now you want to sell it off to some of your Conservative friends in Prince Albert. Mr. Minister, I ask you, why could you not have made the same offer to the citizens of Green Lake, the same kind of financing arrangements you offered to companies such as Weyerhaeuser and Manalta Coal, so that they could have an opportunity to build an economic future right there in Green Lake.

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

**Hon. Mr. Taylor:** — Well, Mr. Speaker, it's obvious the member did not hear the figures. I'll run over them again for his information. There's about 9,400 acres; there's

buildings and assets of approximately 290,000; there's a value of livestock, hogs, and cattle at about 300,000. And that comes to about 590,000, not counting the price of land which I think, taken all together, would be in excess of a million dollars.

And I think that is a very fair settlement to be given to the community of Green Lake for \$1. And also they had the opportunity to bid on the Silver Lake farm the same as every other community in Saskatchewan, and any other group that so wished to do so. They were not successful on that bid; it was a group from Saskatoon.

But I think the settlement with the village of Green Lake is very fair, as do the people of Ile-a-la-Crosse, as do the people of Cumberland House.

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

**Mr. Thompson:** — New question, Mr. Speaker. Mr. Minister, you know full well, at the Central Lake farm all the assets that are movable are going to be sold, and the government gets half. So you're fudging those figures.

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

**Mr. Thompson:** — New question, Mr. Speaker. Mr. Minister, the people of Green Lake believe that what the future holds for this farm is a sell-off of the cattle herd they have built up over the years so that new owners will collect a quick profit. Then the remaining land will be used for other purposes or a game farm.

Will you tell this House what guarantees we have that this will not happen, that the cattle herd that has been built up will not be sold off, and that the farm will continue as it is, and that it will not be turned into a game farm in Saskatchewan?

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

**Hon. Mr. Taylor:** — Mr. Speaker, I have no idea as to what plans the community of Green Lake . . .

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

**Hon. Mr. Taylor:** — Mr. Speaker, I have no idea what the community of Green Lake plan to do with the central farm when it's theirs for a dollar. If they choose to sell some of the cattle herd, I suppose that's their decision. If they choose to sell some of the land to the people in the community, I suppose that's their decision. If they want to diversify and do other types of agriculture, that's their decision.

I would hope the people of Green Lake can take this asset and have the people in that community build and diversify and grow from this initiative. And I think having this type of an asset transferred to them for a dollar, certainly gives them that opportunity.

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

**Mr. Thompson:** — Final supplementary, Mr. Speaker. Mr. Minister, you know full well that the citizens of Green Lake do not own that asset any more. It's gone to Prince

Albert.

My final supplementary to you is: will you guarantee and will you put it in the contract a condition that that farm will not be used for a game farm; that the cattle will not be sold off and it turned into a game ranch?

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

**Hon. Mr. Taylor:** — Mr. Speaker, that is not the style of operation of this government. It's not for me to dictate to the people who bought the Silver Lake farm what they should do with it, nor is it right for me to dictate to the community . . .

**The Speaker:** — Order. Order, order. Order. We can't hear the minister. And I would like the opportunity for everybody to hear the minister, including myself, and we'll give him that opportunity now.

**Hon. Mr. Taylor:** — Mr. Speaker, I say that may be the operation of the members opposite when they had the land bank and tried to control the lives of farmers, but it is not the intention on this side of the House to dictate to the people who bought the Silver Lake farm what they should do with it, or to the community of Green Lake to say what they should do with that asset which they have had for a dollar. I hope they develop it to the benefit of that community and to the people who live there.

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

**The Speaker:** — I'd like to bring to the attention of the hon. member from The Battlefords that it is not in the tradition of the House for hon. members to question decisions of the Chair simply because they don't like it. If you wish to do that, sir, you know the route you must follow.

Order! And I also bring that to the attention of the member from Saskatoon South. The hon. member from Saskatoon South, I'm going to bring it to his attention once more, and I expect all hon. members not to interrupt the Chair and question the Chair. And if he wishes to do that he will have to pay the consequences.

Order! The hon. member from Saskatoon South keeps making remarks to the Chair and I ask him to rise and apologize.

**Mr. Rolfes:** — Mr. Speaker, I apologize for thanking you for drawing it to my attention.

### Environmental Impact Study on Mine Project

**Hon. Mr. Swan:** — Mr. Speaker, on Friday the Minister of Rural Development took notice of a question from the member for Cumberland, and the question dealt with Hudson Bay Mining and Smelting and the Namew Lake mining development.

This development is occurring in Manitoba, so the requirement for any environmental assessment would be done by the company in Manitoba and it would be reviewed by the Manitoba government.

As it relates to the water that could flow back into Namew Lake, we will be having the Manitoba inquiry come into Cumberland House so that that community would have the opportunity to express their concerns about the project. Some of my staff will attend that particular hearing. And following the hearings, we intend then to deal with the Government of Manitoba as it respects the ongoing development of this mining project.

#### Job Losses at Cameco

**Mr. Goulet:** — Mr. Speaker, my question is to the Deputy Premier. Fourteen more jobs were recently slashed right in La Ronge and a major office closed as a result of the privatization of SMDC (Saskatchewan Mining Development Corporation). Last year, Mr. Deputy Premier, you said:

You can rest assured, Mr. Speaker, that the people who work at SMDC today will be working there in the new merged uranium company as well. That will be a commitment that is delivered.

Mr. Deputy Premier, are your words absolutely worthless? Or are you that incompetent? Or did you deliberately mislead this House?

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

**The Speaker:** — The member from Cumberland, as we have indicated in the House before, cannot indirectly infer what the rules do not allow directly. Through his question, he indirectly inferred that the member may have deliberately misled the House. I ask him to rise and withdraw that remark.

**Mr. Goulet:** — I was meaning to say . . . I withdraw that remark. I was meaning to say that he misled.

**Hon. Mr. Berntson:** — The answer, Mr. Speaker, is none of the above.

The fact of the matter is, Mr. Speaker, there was quite a different world environment at the time that the merger took place. And let me talk about it for a minute, Mr. Speaker, because at the time that merger took place, uranium prices were some place, on the stock-market, some place around \$17 a pound. Today uranium prices, Mr. Speaker, are some place around \$10 a pound. Now if those guys were in office, Mr. Speaker, they would have closed all of those mines and none of those people would have any work.

Now let me tell you why uranium prices are at \$10 a pound, Mr. Speaker. They're at \$10 a pound primarily because of weapons-grade ore coming onto the market because of disarmament agreements between the USSR (Union of Soviet Socialist Republics) and United States.

Now I suppose they're against those agreements as well, Mr. Speaker. But the upshot of it all is, Mr. Speaker, at the end of the day the new Cameco (Canadian Mining Energy Corporation) will be better positioned than any other uranium company in the world to take up the new market, Mr. Speaker. And I know . . .

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

**Mr. Goulet:** — Mr. Deputy Premier, how can you seamlessly disregard the job loss of 14 people in La Ronge at the same time when you're giving \$4 million to GigaText? Why are you giving tremendous amounts of millions of dollars to big corporations? Why don't you stand up here, get red-faced and pound on the table for the people and jobs of northern Saskatchewan?

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

**Hon. Mr. Berntson:** — Mr. Speaker, I don't know how he can even ask that question when he knows full well that, had they been sitting over here, there wouldn't be one of those jobs in the uranium mines; they would have closed them all down.

In addition, Mr. Speaker, he talks about job loss, job loss where ore bodies are depleted. Would he have us crush rock for the sake of crushing rock, Mr. Speaker?

He talks about what this government has done for northern communities. Well, Mr. Speaker, a couple of weeks ago the Premier and I were up North, and we visited eight communities served by the Athabasca power line, Mr. Speaker, one that was only a dream for Northerners when those people were sitting over here, Mr. Speaker. They now have unlimited power at southern rates, Mr. Speaker, where they used to pay anywhere from 17 to 29 cents.

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

### MINISTERIAL STATEMENTS

#### Fire-fighting Crews for Northern Saskatchewan

**Hon. Mr. Schmidt:** — Thank you, Mr. Speaker. I'm pleased to announce today, on behalf of the Department of Social Services and in conjunction with my colleague, the Minister of Parks, Recreation and Culture, that the government has established three new early response fire suppression crews for north-western Saskatchewan. These crews will be based in the northern villages of La Loche, Buffalo Narrows and Ile-a-la-Crosse.

This Saskatchewan works project is a part of welfare reform and will create 68 jobs at a cost of more than \$380,000. The crews will be utilized as an initial react force by Saskatchewan Parks, Recreation and Culture to fight forest fires in the area, as well as for fire prevention and reforestation. If the crews are not kept busy fighting forest fires, which is truly our hope, Mr. Speaker, then they will be doing community work in the three named communities.

Parks, Recreation and Culture will be supplying all overhead and training for these projects. These projects will not only provide meaningful employment and training, but also save property from seasonal forest fire damage.

Mr. Speaker, this initiative shows this government's commitment to the protection of the environment, protection of natural resources, and to job creation.

Thank you.

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

**Mr. Thompson:** — I just wonder, Mr. Speaker, why the minister would take the time of the House to make a ministerial statement on the types . . . of this nature, on the type of jobs that he's creating.

I sincerely hope, Mr. Minister, that the jobs that you've announced here today are jobs that are not going to be paid \$4.50 an hour or such that you . . . on your welfare jobs. I've always maintained in this House that fire-fighting in northern Saskatchewan, that the citizens up there that were fighting the fires should be on on a full-time basis.

I sincerely also hope, Mr. Minister, I sincerely hope that the jobs that you have created, the 68 jobs that you announce here today, will also be given the same opportunities as the helicopter pilots and the other fire-fighters that you bring in from British Columbia will be getting paid. And I sincerely hope that they will be given the same services, and I mean, by being able to use the cookhouses, and the showers, and the bunk houses that you provide for the pilots. I sincerely hope, Mr. Minister, that they're being given the same opportunity.

I say to you that these jobs are long overdue, and I ask you the question again. Make sure that they're paid a good wage, and you also have a react crew in northern Saskatchewan, well-trained fire-fighters. I hope that that react crews that have been there and have been trained for years are not going to be dropped in favour of the type of program that you announced today.

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

### MOTION UNDER RULE 39

#### Maintenance and Improvement of Via Rail

**Mr. Brockelbank:** — Mr. Speaker, before orders of the day, I wish to rise under rule 39 to bring forward a motion to this House, a bipartisan motion to this House, a non-partisan motion, I should say, to this House, which has come about as a result of a meeting that occurred at Melville recently. The member for Melville and I both attended that meeting. It was the overwhelming view of the meeting that a motion be brought forward in this House which could be unanimously supported by both sides of the House, and that's the reason I'm here.

The wording of the motion . . . and I've asked the member from Melville to second the motion, and I'd be pleased to have him second it, and he received a copy earlier today:

That this Assembly strongly urge the Government of Canada to reinstate federal funding sufficient to maintain and to improve Via Rail passenger service, which is vital to rural and urban Saskatchewan.

And if the minister wishes to second it, I'd be glad to have his name on it.

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

**The Speaker:** — Order. If the hon. member wishes to . . . Order. The Minister of Finance and the member for Regina Elphinstone — the Minister of Finance and the other member — would you please refrain. I wish to bring this to the attention of the House, that if the hon. member from Melfort wishes to speak to the motion, we must have a seconder before we can address the motion.

**Mr. Brockelbank:** — I see no indication of a seconder there; I will move . . .

**Hon. Mr. Schmidt:** — Mr. Speaker, is there a seconder for this motion?

**The Speaker:** — Before the introduction of the motion we must have leave. So first of all I ask the House, is leave granted? We need a seconder for the motion. Is leave granted? Leave is not granted.

Order, order. Would the House come to attention.

**Mr. Brockelbank:** — Mr. Speaker, I'm unsure as to whether the member seconded it or not.

**An Hon. Member:** — Yes, he did.

**Mr. Brockelbank:** — He did, all right. I'll change it back, Mr. Speaker, to the member for Melville.

**The Speaker:** — Order. Leave was not granted for the hon. member to move the motion, therefore a seconder was not required.

**An Hon. Member:** — Did you change the rules?

**The Speaker:** — No. No, no, no, no. Leave was not granted.

Order. I think that in a relatively simple issue, we are getting kind of . . . Now the member . . . the House was asked twice, as a matter of fact, if leave was granted. Members on this side of the House, on the government side, said no, so leave was not granted.

**An Hon. Member:** — Mr. Speaker, on a point of order.

**The Speaker:** — Yes.

**Mr. Lingenfelter:** — I believe we dealt with the issue for some minutes after we had believed that there was leave granted. I want you to indicate who did not grant leave. Who was it who didn't grant leave? because I assumed that leave had been granted.

**Hon. Mr. Hodgins:** — Mr. Speaker, if I may speak to this point of order. Clearly leave was not granted on this side of the House. And, Mr. Speaker, the reason leave was not granted was that the member sent the motion over at 5 after 2. They talk about being not . . .

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

**Mr. Lingenfelter:** — Mr. Speaker, on the point of order. I

just want to outline for the Acting House Leader that this comes out of a meeting that was held in Melville where both members attended . . .

**The Speaker:** — Order. We're entering debate. We're entering debate. I think that both . . . Order. I think we should just move on to the next order of business. Order.

## MOTION UNDER RULE 16

### Commitment to Building Saskatchewan

**Mr. McLaren:** — Thank you very much, Mr. Speaker. Pursuant to rule 16, at the end of my remarks I will be moving the following motion:

That this Assembly commend the Government . . .

**The Speaker:** — Order. Order. Order.

**Mr. McLaren:** — Thank you very much, Mr. Speaker. I was just finishing saying that I'd be moving the following motion:

That this Assembly commend the Government of Saskatchewan for its continuing commitment to . . .

**The Speaker:** — Order, order, order. Order. As I said earlier, I believe we've finished with the issue. We've just dealt with it. We're on to motions under rule 16. The member for Yorkton has the floor, and let us allow him to continue with his remarks.

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

(1445)

**Mr. McLaren:** — Thank you, Mr. Speaker. That's the first time I've had applause from across the way, Mr. Speaker, from the seven years. I want to move:

That this Assembly commend the Government of Saskatchewan for its continuing commitment to building Saskatchewan and to creating opportunity and employment for its citizens through building; and further, that this Assembly condemn the opposition for their resistance to and obstruction of these projects.

Mr. Speaker, it's a very rare occasion that I, or any government member, has moved a motion of condemnation against this opposition. And it is so rare that I do not ever recall such a motion having been made by members of the government. But we find ourselves in the position because of the opposition refusing to compromise in regard to developing this province, and the absolute commitment of the opposition of obstruction for purely political purposes.

Mr. Speaker, let me touch on, in these 15 minutes, a very few of the successful building exercises this government has been able to accomplish in its terms of office. And I will start small, Mr. Speaker, and work my way up as we go.

In 1982 the Premier of Saskatchewan said he wanted to do two things. First, he said he wanted to protect people from things that they could not control, such as high interest rates. And second, he said he wanted to build this province so that there would be money to afford those protections, jobs to provide security and opportunity for our people. Those were his two objectives as he led a new Progressive Conservative Party to victory — building and protecting.

And if you look back, Mr. Speaker, you will remember one of the first actions this government took was to lift the moratorium on the building of nursing homes. And with that one act, both building and protecting were started and were well on their way.

A few hundred thousand dollars doesn't sound like much for a nursing home, and it does not seem like a great deal of money to the opposition. And they say that what can you build for a few hundred thousand dollars? But this government went ahead building nursing homes, and that created jobs, brought incomes to our communities, and at the same time it provided protection for our people in their old age.

And I can look at my own constituency, Mr. Speaker, major expansion to the Yorkton Union Hospital — new administration offices, a new emergency ward was set up, brand-new laundry facility, brand-new boiler heating system for the hospital. And there was in excess of \$20-some-odd million, Mr. Speaker.

And Victoria Place, a brand-new senior citizens' complex with 30 beds, was built in 1983. Then there's Fisher Court, another 30-bed senior citizens' complex, a 40-bed new nursing home addition — nearly \$3 million for that facility, Mr. Speaker. And just the other day I turned sod and helped in the sod-turning ceremony of another new 30-bed senior citizens' complex at Anderson Lodge.

So here in six years — and I can't remember when anything happened prior to '82 with your member in Yorkton — we have 130 beds in the Yorkton constituency, plus the additions to the Yorkton Union Hospital. None of that happened before. The moratorium that you put on nursing home building just brought it to a standstill. And in that seven years we had these five new projects to look after the health needs of our seniors and the people of our community.

Well, Mr. Speaker, even such a small start as that was important. And the astounding, the frustrating and angering things, Mr. Speaker, was that the member from Riversdale opposed even that.

In 1985, three years after this government launched one of the most ambitious programs of building hospitals, nursing homes, and other similar facilities, the Leader of the Opposition had to say, and I quote from the *Hospital Products and Technology Journal*, the August-September issue, and I quote . . . (inaudible interjection) . . . Sure, we renovated the court-house for \$2.3 million and a bunch of new jobs in Yorkton as well. And we're proud of the new court-house in Yorkton.

**The Speaker:** — Order. Order!

**Mr. McLaren:** — The former attorney general, and I quote him:

... did not pull any punches when he told a large audience of hospital board members and administrators that if politicians try to cope with the sickness problem of our ageing population by building more hospitals or similar facilities, the cost would be prohibitive and the results disastrous, and building more hospitals is not the answer.

And we have listened for seven years about the massive waiting lists at hospitals. I'd like to tell the member from Riversdale that I had people in my family that were on the waiting list back in the 1970s for months and months and months before they had their operations. The same thing happened when your people were in office, and it makes me sick to hear the condemnation of what we're doing as far as nursing homes and hospitals and the so-called cut in health care which hasn't happened.

Do not build — that was the message from the lawyer from Riversdale, Mr. Speaker. And I say, shame on him.

From projects of a few hundred thousand dollars we can move to projects of a few million dollars. And we look at the Gainers plant in North Battleford, an NDP constituency on top of that. This government said we would build on our agricultural foundation. Let's get them processing our products here. And one of those products, Mr. Speaker, was hogs.

So we invited proposals for hog processing, and an Albertan by the name of Mr. Pocklington said he would take up the invitation and build a bacon plant, and hundreds of jobs for the city of North Battleford, Mr. Speaker, and the NDP said no to every one of those jobs — no, no, no. That's what we've heard for seven years. And why not, Mr. Speaker? Because they don't like Mr. Pocklington.

Well, Mr. Speaker, I don't know Mr. Pocklington either, and I really don't care if I know him, but I do care about the hundreds of jobs that the working people in North Battleford have because there is a bacon plant there.

We can move on, Mr. Speaker, from a few million to a few tens of millions of dollars. Let's look at the Meadow Lake saw mill that is soon to be the foundation of a quarter billion dollars of investment. A quarter billion dollars for the community of Meadow Lake, and the opposition and the Leader of the Opposition said, no, don't do it; don't let this type of thing happen.

Look at the list of projects that have occurred under this government, Mr. Speaker. Weyerhaeuser, hundreds of employees. The deregulation of the natural gas industry, responsible well in excess of a thousand jobs. The construction of the rural natural gas industry, responsible for hundreds and hundreds of jobs, protecting farm families from high input costs.

And as an aside I would ask you to cast your memory back to 1981 when the PC opposition first introduced a motion

to build the rural natural gas program, and it was defeated by the NDP government of the day on the excuse that natural gas was, and I quote, "A system designed to serve urban Saskatchewan." And that's in *Hansard*, Mr. Speaker, in May 19, 1981. I represent an urban riding, and I can tell you that the people of Yorkton know full well that if we do not build rural Saskatchewan there will be nothing left of urban Saskatchewan to worry about.

So we built a gas distribution program over the opposition of the member from Riversdale and his radical colleagues. They said it couldn't be done, that it was going to cost a billion dollars. We're going to do it for 450 million. We built the Regina upgrader in partnership with the Co-op. We're building up the Lloydminster upgrader in partnership with Husky and the federal government.

We helped to build Canapharm industries. We built new facilities and buildings at the University of Saskatchewan. We've built and built and built, Mr. Speaker, and in every single instance the NDP said, no, no and no. They've derailed the Rafferty program, where the people of Saskatchewan want to manage their water. And that project will get built and the people of southern Saskatchewan will probably ... hardly get a vote out of that area in the next election for the NDP opposite. They have shown that they care nothing for building this province, but we want to go back to the failed program of buying Saskatchewan.

And the simple facts show that this government is prepared to use Crown corporations, use Crown investment, to build, if that is what is necessary. We are also ready, able, and willing to work with the co-ops and the private sector and to work, Mr. Speaker, with the people to build this province.

The NDP do not want to build Saskatchewan. They want to buy Saskatchewan, which they were doing during the early years of their term in office. And for that they should be condemned.

I am proud of our Premier and I'm proud to be associated with a government that the records show has built more than any other government before it, and I'm indeed proud of that.

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

**Mr. McLaren:** — But I am ashamed, Mr. Speaker, that the state of politics is such in this province that we have an opposition that filibusters Bills it hasn't seen yet, opposes jobs in their own constituencies, attacks the character of people associated with those projects for the sole reason that they are not NDP projects; claims to support job creation, but obstructs every attempt at job creation.

We have to look around the province: the Hitachi plant in Saskatoon, building turbines for our province — never before has happened — new jobs for our province. We can look at Saskatchewan Place, a brand-new arena in Saskatoon which is capable of looking at somewhere down the road probably NHL (National Hockey League) franchises. Did they ever dream of building something like that? No, not on your life, Mr. Speaker.



The agricultural college in Saskatoon. How many years was that college wanted by the agricultural people? And we've done that too, Mr. Speaker. The Wascana Centre, the new hospital — and I was pleased that I was in charge of the Workers' Compensation Board at that time when we agreed to participate in the building of that new facility. And the review committee that went around the province every four years during their administration asked for that facility to be built, and did they get it? No, they didn't, Mr. Speaker. It took a PC government to get it done.

We look at the Buy Saskatchewan program where SaskPower, pleased to say, instigated that initial program. We literally had to hire two people to work with the people of our province to look at offering them projects and encourage them to build items for SaskPower. And what's happened? What used to be 80 per cent of those goods and services used to be bought outside our boundaries, Mr. Speaker, and 20 per cent inside, we have turned that completely around in six years where now Saskatchewan Power is getting 80 per cent of their services and facilities from people of the province.

We have firms in Yorkton that are bidding on various projects and the needs for SaskPower and other facilities in the province, and being successful in winning the tenders to do that manufacturing.

We look at Hunters in North Battleford . . .

I think, Mr. Speaker, my time is getting near the end, and I just want to move, seconded by the member from Melfort:

That this Assembly commend the Government of Saskatchewan for its continuing commitment to building Saskatchewan and to create opportunity and employment for its citizens through building; and further, that this Assembly condemns the opposition for their resistance to and obstruction of these projects.

Thank you very much, Mr. Speaker.

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

(1500)

**Hon. Mr. Hodgins:** — Thank you very much, Mr. Speaker. I feel strongly that the motion before this Assembly today is a very good motion, and that it sums up precisely the position of this government with respect to building in Saskatchewan, and with respect to our views on the stance that has been taken by the members of the NDP.

Mr. Speaker, I'd like to spend a few moments today speaking to this motion and talking a little bit about the plan and the vision of this Progressive Conservative government when it comes to the overall economy of this province. And, Mr. Speaker, I feel that that subject matter is important to not only the people in this legislature, but indeed to all of the people of Saskatchewan.

In order to outline that, Mr. Speaker, I think it very

important that we talk a little bit, firstly, about what has transpired in this province over the last five or six years. And, Mr. Speaker, I believe that with the events of the last few years, that it has become abundantly clear — abundantly clear — of the dependence that this province has on the backbone industry of our province, and that being agriculture.

And, Mr. Speaker, when you consider that over the last few years we have experienced droughts, and we have experienced the crash of the international grain markets, we have experienced high interest rates, and just a generally hard, hard farm economy. Mr. Speaker, what that has . . . And I say that in the context, Mr. Speaker, that not only have we seen very difficult times in the agricultural sector, but, Mr. Speaker, we have seen a Progressive Conservative government that has gone on to protect the farmers of Saskatchewan in all of these different areas as best as we could.

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

**Hon. Mr. Hodgins:** — And I'm not saying, Mr. Speaker, that we've solved the problems in agriculture; I'm saying, Mr. Speaker, that we, as a responsible government, have taken some very real important measures to alleviate the effects of the droughts and the high interest rates and the crash of the international markets.

But notwithstanding all of our good efforts — and I believe the vast majority of people of Saskatchewan agree and appreciate the efforts that have been gone to help the farmers of Saskatchewan — notwithstanding all of that, Mr. Speaker, we have lost in the province of Saskatchewan a large number of jobs related to agriculture, directly and somewhat indirectly.

And I submit to you, Mr. Speaker, that the figures in the last six or seven years are something like 17,000 people involved in agriculture, directly and indirectly, have left the agricultural-related industry. And, Mr. Speaker, those are very scary numbers, but they are facts, Mr. Speaker. A large number of people have left agriculture.

So, Mr. Speaker, what does a responsible government do? A responsible government recognizes that our dependence on agriculture cannot be absolute, and that we should build and diversify this province into other industries other than agriculture; not taking anything away from agriculture, but saying, Mr. Speaker, let's build and let's diversify and let's build on the strengths that we have. Let's build in a reasonable and a responsible way.

And, Mr. Speaker, this is precisely what this Progressive Conservative government has been doing over the last six or seven years. And I submit, Mr. Speaker, it has been in spite of — in spite of — the members of the NDP. It has been in spite of them, Mr. Speaker. And it has taken a courageous government to go on and build and diversify this province, all the while . . .

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

**Hon. Mr. Hodgins:** — . . . having the members of the NDP be against, against, against, Mr. Speaker. And we have seen all of that negativity throughout the last six or seven

years, Mr. Speaker, and it has come to a point where I believe the public of Saskatchewan are fed up — I say, fed up — with the irresponsibility of the members of the NDP.

And, Mr. Speaker, what we are trying to do here is diversify our economy. What we are trying to do is create jobs, create investment, create a tax base, and create an opportunity whereby these businesses can go ahead and make a profit. And, Mr. Speaker, those are all good news for the people of Saskatchewan.

And, Mr. Speaker, these companies and this building, diversifying that we are attempting to do, Mr. Speaker, is of vital importance to the people, and it's no longer a time for pure partisan politics. It is time, Mr. Speaker, for a responsible opposition to stand up and say: yes indeed, that is a good project. How can we help? How can we help create the right atmosphere, Mr. Speaker?

And I want to talk a little bit about the specifics of some of these projects, Mr. Speaker, and the building on the strengths, and the opposition of the NDP. And let us start with that great natural resource we have in the ground here in Saskatchewan, and that natural resource is called heavy oil — heavy oil, Mr. Speaker. And indeed, Mr. Speaker, that oil, the light oil is running out all across North America. Let us take that heavy oil, upgrade it here in Saskatchewan, make our own diesel fuel, make our own gasoline in an upgrader.

And indeed, Mr. Speaker, we have Canada's very first upgrader operating today in the city of Regina in spite of the opposition by the NDP. What was the NDP's position on the upgrader in Regina? Against; no; against jobs. I say to you secondly, Mr. Speaker, we are as well, at this very time that we are debating here in the legislature, attempting to build another heavy oil upgrader within the city of Lloydminster and with the member of Cut Knife-Lloydminster there battling over the last few years to get a heavy oil upgrader in his city of Lloydminster, and we have succeeded in spite of the position of the NDP, in spite of the irresponsible, unforgivable position of the NDP who are against that upgrader.

Mr. Speaker, I will recite example after example, and I will move on to the Weyerhaeuser pulp and paper mill outside the city of Prince Albert. There is a project, Mr. Speaker, that the NDP said would never be built. There is a project, Mr. Speaker, that the NDP said would create no jobs. But here is living proof, Mr. Speaker, of a good corporation in partnership with this government who has in the last few years built a first-class, world-class paper mill creating . . . and lord knows, Mr. Speaker, we use a lot of paper today within government and throughout the world. And why, Mr. Speaker, can we not build on that lumber resource we have in the province, take those forest products, upgrade them, and make first-class paper?

Well, Mr. Speaker, it has been achieved; it has been done. It is jobs for our people. It is a tax base. It is the creation of wealth, and Mr. Speaker, any reasonable opposition, any reasonable opposition would stand up today and say, yes, you were right; that is a good project for the people of Saskatchewan.

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

**Hon. Mr. Hodgins:** — We move on, Mr. Speaker, and when we're on the subject of the forest industry, we move on to the subject matter of the new pulp mill and the associated chopsticks manufacturing plant that is liable to come up in the member for Meadow Lake's constituency.

There, Mr. Speaker, is a prime example, taking again that natural resource we have and using it and upgrading it and using local people, using local native people, Mr. Speaker, using employees of that firm to build and diversify and create jobs. How can anyone be against that, Mr. Speaker? How can anybody responsible be against it? Mr. Speaker, there's an irresponsible position by the NDP.

Mr. Speaker, I move on to other matters of building and diversifying, and I talk about within the city of Saskatoon. Within the city of Saskatoon opened just the other day is a turbine manufacturing plant built by the Marubeni and Hitachi corporations from the country of Japan. Mr. Speaker, everyone in Saskatchewan knows Marubeni and Hitachi. They're well-known names.

These are large, powerful, good corporate identities in the country of Japan, Mr. Speaker, that through the efforts of this government, and in spite of the NDP, we have been able to attract to make an investment outside of Japan, right here in Saskatchewan in the city of Saskatoon, a turbine manufacturing plant.

And I'll tell you what, Mr. Speaker, this is of significance. The very first heavy equipment plant of those two corporations located outside of Japan is right here in Saskatchewan, right in downtown Saskatoon, and that is good for the people of Saskatchewan.

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

**Hon. Mr. Hodgins:** — I asked you, Mr. Speaker, is that a tax base? Is that an investment? Is that jobs for people of Saskatchewan? Indeed it is.

What is another one of the strong resources that we have been given here in Saskatchewan? Well, Mr. Speaker, it is a geography that lends itself to the cattle business, to the livestock business — cattle and hogs. Well, Mr. Speaker, what shall we do here in Saskatchewan — just grow our cows and grow our steers and grow our hogs up and ship them out, or shall we process them, shall we process them and cut them up and package them and create jobs and sell them around the world? I submit to you we should. It's a strength we have, and let us . . .

**The Speaker:** — Order. Time has elapsed.

**Mr. Lautermilch:** — Thank you very much, Mr. Speaker. Mr. Speaker, I found it very surprising when I read through the motion that the government had put on the order paper. I would want to say I found it, as well, disappointing. After days and days of argument in this legislature and confrontation, what do we see after a day of negotiation for compromise? Our side negotiated in a spirit of compromise to get the proceedings of this legislature moving again.

What do you see? What do you see from the government opposite? You see a motion condemning the opposition. It wasn't a motion of compromise; it wasn't a positive motion. It was a totally negative motion that was put before this Assembly.

And why, I ask, Mr. Speaker, do members on that side want to escalate this war again that we've been having in this legislature? What are their motives? Could it be, Mr. Speaker, that they don't want the people of this province to understand what their political agenda is — rather talk in other terms and raise other issues. I use as an example, public accounts this morning. Our side came in, in the spirit of co-operation, to do the business of this legislature, and what do you see? Mayhem, total mayhem caused by members on the government side of the House.

And I say to you, Mr. Speaker, that the people of this province understand who's been holding up this legislature. And I want to say as well, Mr. Speaker, to speak directly to this motion, in terms of some of the phrases that I see before us — building Saskatchewan and creating opportunity — that the people of Saskatchewan know clearly what has happened in this province, and that there is a lack of opportunity. And that the key phrase and the little coin phrase of the PC government and the PC Party is nothing but a joke.

They talk about building Saskatchewan and diversifying and economic development and such a bright future for this province. Well, Mr. Speaker, I want to say to you that I believe there's a bright future for this province, but it's not under a government that will amass a \$4 billion deficit in general revenue.

Because I want to tell you, loading the people of this province with more debt and more taxes to pay in the future is not the way to create economic stability, it's not the way to create jobs, and it's not the way to make a happy electorate in Saskatchewan. And I would suggest to you that if that government was looking closely at the polls, that I'm sure they're doing on a daily basis, they would know that the people of this province don't believe it's the way to run a government as well.

What's been happening in this province under this "building Saskatchewan"? What's been happening under this building Saskatchewan philosophy? Young people leaving this province by the hundreds and by the thousands — this minister from Melfort stands up and talks about the number of people that have been leaving Saskatchewan family farms, and he's right. Of course he's right.

We see it in rural Saskatchewan. We see the small towns shrinking because there's no future for the people of this province under this PC government. They've left a litany of economic mismanagement and corruption that's been unparalleled in this province.

I want to speak about some of the things that they've built. They've built an uneasiness among the people of Saskatchewan, an uneasiness with this government particularly, and, I want to say, with politicians in general. If you parallel what the Mulroney government in

Ottawa's been doing and what this administration has been doing in Saskatchewan, yes, they're creating an uneasiness because they see some elements of dishonesty. And they see a lack of integrity by those government leaders on that side of the House.

They've created as well, and what else they've built in Saskatchewan, Mr. Speaker, is insecurity. Young families no longer believe that this PC government is creating an environment in which they can afford to raise their families. That's the kind of building that they've been doing in this province; that's what they've been building in Saskatchewan.

(1515)

They've been building hardship for business men and women in small town Saskatchewan and in our major cities. They've been building hardships and economic problems that have made them close their doors and shut down their operations. The number of bankruptcies in Saskatchewan are a clear indicator that there is an uneasiness and that businesses are facing hardship.

But what do we see in this motion? We see a self-flattering few sentences in the first part of the motion, trying to convince Saskatchewan people and the media and the opposition that this government has been responsible and has displayed competence. But those aren't the facts, Mr. Speaker. They've created mistrust. They've created uneasiness and insecurity, and that's why the people are leaving this province by the thousands.

But I want to say to you, in spite of what they've said about the obstructionism of the opposition side of this House, which the people of this province don't believe — in spite of that, I want to say, Mr. Speaker, they're forgetting what they're about. They're forgetting what government in Saskatchewan is expected . . . what's expected of government in Saskatchewan. And this motion is nothing but a self-flattering piece of literature that is not believed by the average Saskatchewan resident.

And I want to say, Mr. Speaker, that at the end of my remarks I intend to move an amendment which will be closely, I believe, tied to what the feelings of Saskatchewan people are, not this self-flattering blarney that the minister from Melfort spoke of. They understand the truth, and that's what they want dealt with in this legislature.

They don't want to talk about some hypothetical prosperity; they want to talk about the reality of what they're dealing with. They want to talk about their children leaving this province, and why they're leaving this province, and what government should be doing in order to maintain a reasonable economic environment in Saskatchewan so that they can make their living here and stay around their families. That's what they want to hear from members on that side of the House.

They don't want to hear about GigaText and about millions of dollars going to Guy Montpetit in Montreal — millions of their tax dollars being squandered and wasted. That's not what they're looking for. I want to say to you, Mr. Speaker, the polls indicate that they desperately want

a chance to show this government that that's not what they're looking for, and I would wish this government would give them a chance.

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

**Mr. Lautermilch:** — Instead, of carrying on with this confrontation, Mr. Speaker, I ask that we get on with the job at hand, delivering sound economic policy. And that, Mr. Speaker, is why I want to move the following amendment:

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

regrets that the Government of Saskatchewan has failed to develop a sound economic strategy for the province and condemns the government's policies of privatization and the sell-off of valuable provincial resources which are depriving Saskatchewan families of security and opportunity for their future.

This amendment, Mr. Speaker, is seconded by the member from Regina North West. Thank you.

**Mr. Solomon:** — Thank you, Mr. Speaker. My colleague has indicated that we've been through 56 days of sitting, and the government has failed to bring forward on the agenda the important business of the people of Saskatchewan. The member from Melfort stood in this House a few moments ago, on his feet, and he talked about the jobs they've created, and he talked about the investment that has been lured to this province. He talked about building the province of Saskatchewan under the PC government. And, Mr. Speaker, I want to share with you some of the building they've been doing.

Since 1982 this government has built the fastest-growing operating deficit of any province in the history of Canada. We started in 1982, Mr. Speaker, with a balanced budget, a surplus in the bank, and a billion dollar Heritage Fund. We started as well, Mr. Speaker, in '82, this government did, with Crown corporation debts of less than \$2 billion. We had a net debt of about a billion dollars just seven years ago.

What this government has done in the last seven years, Mr. Speaker, is they've built a debt of \$4 billion in operating and an \$8 billion Crown corporation capital debt. We've lost all the surplus that we've had. We now have a total debt of around \$12 billion, Mr. Speaker. That's \$1.2 million for every man, woman, and child in this province. And I think that that is a building that they should not be very proud of.

We've also seen, Mr. Speaker, contrary to what the member from Melfort has said, clear economic indicators which have shown the opposite. We have not seen a great deal of housing starts. As a matter of fact, at a meeting that I attended with the Regina Home Builders' Association, they stated at their annual meeting that in 1982, 6,822 housing starts were commenced in this province. In 1988 there were not 6,800, there were not 5,000, there were not 4,000, but indeed there were only 3,800 housing starts in the province of Saskatchewan, which was the

worst year on record since they kept track of housing starts in this province, Mr. Speaker.

And as a matter of fact, the latest statistics show that in the calendar year 1989 we've had less than half of the housing starts in this province than we had last year. So 1988 was the worst housing started record in the history books in Saskatchewan, and we see this year is going to be worse by 100 per cent from last year. And that's a record that can be attributed directly to the Government of Saskatchewan, the PC government opposite.

We've also seen, Mr. Speaker, a massive number of bankruptcies. We've seen 1987, for example, represented five consecutive years in which business failures had exceeded the 300 level. In 1988, as a matter of fact, Mr. Speaker, that figure increased above the 450 level to 461 business failures, the highest number on record in this province. They're building bankruptcies as well as they're building vacant houses for no one to live in, as people leave this province.

In 1988, as in 1986 and '87, Saskatchewan had the second highest bankruptcy rate increase among all provinces, an increase of 28 per cent, Mr. Speaker. This is quite higher than the Canadian percentage rate increase of 4.9 per cent. As a matter of fact, it's over 500 per cent greater.

We've also seen, on a comparative note, Mr. Speaker, the number of bankruptcies in Saskatchewan under the last seven years of the NDP government. From 1975 to 1981 year end, we averaged about 94 bankruptcies each year. The last seven years of the PC government, we didn't average 94 or 104 or 204 or 304; we averaged about 340 each year. That's 360 per cent higher over the seven-year period of the previous seven years, and the minister has the gall to stand in this House and say that they're building the province of Saskatchewan.

Mr. Speaker, I can also talk to you about some of the retail sales. We've seen farm implement dealers in this province decrease in numbers by 47 per cent between 1974 and 1988. They've gone from 450, in those late '70s and mid-70s, to about 275 in 1987, and 240, which is a big decrease, in 1988.

And in addition to that, Mr. Speaker, we've seen about 24 rural hotels either closed or repossessed in Saskatchewan during the calendar year of 1988. That's building the province, Mr. Speaker, throughout the province? Hardly.

Retail sales is another economic indicator. We've seen, Mr. Deputy Speaker, that Saskatchewan has not fared very well with that economic indicator either. The percentage increase in retail sales in this province has been substantially lower than the national average, ranking near or at the bottom in comparison to other provinces. As a matter of fact, retail sales growth in Saskatchewan was the second lowest in Canada. Only Manitoba was worse.

Manufacturing employees — the member talked about increasing the number of jobs in this province. Well we've seen the unemployment rate double over the last seven years, which has not been doubled in any other

province. Saskatchewan has the distinction of being the only province in Canada that has their unemployment rate doubled.

We've seen as well, with regard to manufacturing employees, that the provincial economy has witnessed a drastic reduction in this regard. From a record high of 21,500 people employed in manufacturing in 1981, the province has now been reduced to a level of 19,000. That's 1,500 employees in the manufacturing centre alone have lost their jobs.

And we also see general economic indicators reflect very poorly on this government's record. We've seen the unemployment average go from 1982 with 28,000 people unemployed, to about 38,000 in 1988. We've also seen, Mr. Deputy Speaker, between 1977 and 1982, total personal income in Saskatchewan increased in that five-year period by 100 per cent under the NDP government. Unfortunately, in the next five years under this government, we've seen personal income rise, not 100 per cent as it did under the NDP years, but a meagre 30 per cent over the five-year period.

So what we see, Mr. Deputy Speaker, is a government that has bankrupted this province. They have chased people out; we've seen the out-migration of people in an unprecedented level. We are the only province in Canada that has lost 1 per cent of their population in the first quarter of this year. And that is comparable to any other province in any other time of their history; they've never achieved that high of an out-migration, a net loss of population.

And what that means, Mr. Deputy Speaker, very clearly, is that this government has failed in their economic policies. They've failed to create jobs for young people. They have failed to keep businesses going in this province. They have been the authors of the fastest-growing deficit in all of North America. They've been the authors of the largest number of bankruptcies and the largest percentage increase on record.

These are statistics, Mr. Speaker, that I would not be standing in this House bragging about if I was a member of the PC caucus. And of course they're not doing that. They're getting up here and they're talking about all kinds of other things that don't seem to reflect the economic indicators that their own statistics branch has clearly shown.

We've seen, Mr. Deputy Speaker, in the motion that I'm standing and supporting, the amendment to the motion, that the government has failed to develop a sound economic strategy, and that we condemn the government's policies of privatization and the sell-off of valuable provincial resources which are depriving Saskatchewan families of security and opportunity for their future.

We have seen, in addition to all of these economic indicators, a rampant effort by this government to sell off all of the revenue-producing assets that we own, that the people of Saskatchewan own. They're selling them off at discount prices to their friends outside of this province.

We've seen Manalta Coal go; we've seen the Highways department crew and equipment go; we've seen Sask Minerals go. We've lost 6 or \$7 million on the estimated asset value of Sask Minerals; that's gone. We've seen, Mr. Speaker, Sask Oil and Gas, which produced significant revenues for the treasury of this province to subsidize the tax base of this province, to subsidize programs like health care and education — that's gone. That is now owned 75 per cent by people outside of the province of Saskatchewan.

We've seen the number of shares in Saskoil be reduced from 100 per cent equity by the province to where now the province holds 25 per cent. In addition, we've seen the number of private shareholders in Saskatchewan, with regards to ownership of Saskoil, amount to 1.4 per cent — 1.4 per cent of all the private shares that are held in the markets today in Saskoil are owned by Saskatchewan people, and 98.6 of those shares are owned by people living outside of this province.

That's a record/ That's building the province of Saskatchewan? That's garbage, Mr. Deputy Speaker. This government should be ashamed of what they're doing to the heritage of the people of this province and the families' futures living here right now.

We've seen, Mr. Deputy Speaker, as well, this government stand in this House on the hustings promise . . .

(1530)

**The Deputy Speaker:** — Order. The member's time has elapsed.

**Mr. Hopfner:** — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, as I've heard the two previous NDP members speaking from the other side of the legislature, the other side of this House, it reminded me of two members, and referring them to the children's story of Chicken Little, and had been . . . is running . . . and the whole bunch of them are like Chicken Littles running around the province hollering to everybody that the sky is falling in on the province here.

And I just want to relate to them that what they are saying is no different than . . . I can relate right back to 1982, Mr. Speaker. In the short seven years that we've been government in this province, Mr. Deputy Speaker, I can still see the anguish from the members opposite, from the NDP opposition. They still cannot accept that they are no longer government, and they are just ashamed to admit that good things are happening in the province of Saskatchewan.

Why, Mr. Deputy Speaker, as the member was waddling off his figures there, I mean it's all a bunch of bunk. I'll tell you why. I'll say he doesn't even have to go back very far, Mr. Deputy Speaker. He can go back to 1988, where in the province of Saskatchewan there was over 4,000 new manufacturing jobs created in the province of Saskatchewan. I say to you, Mr. Deputy Speaker, that the member just wants to waddle off some sort of indicators to make people believe that there is a whole bunch of job loss in the province of Saskatchewan.

I want to indicate to you, Mr. Deputy Speaker, that has never been in the history of this province other than that of a PC government here in the province of Saskatchewan, that this province has ever went over a million in population. And I want to say, it's a far cry in thousands . . . I believe it would be something in the neighbourhood of around 80,000 more people in the province of Saskatchewan under this administration, under a Progressive Conservative government, more people in the province than there was ever under the NDP administration.

And, Mr. Speaker, they're trying to tell me and the people of Saskatchewan that these 80,000 more people that came to the province of Saskatchewan are not working. Well that is absolutely incorrect, Mr. Deputy Speaker, and they know it. And I want to tell the people of this province that it's a far cry from the truth when you hear members blurt out those kinds of statements in this Assembly. I want to say, Mr. Deputy Speaker, that when we talk about the facts of what happened since 1982, I want to just back up.

The reason why the NDP were changed from government, from government, is because they refused to build; they refused to deliver jobs to the young people in this province. They refused and turned their backs on the farm community in this province; they refused to help. They foreclosed on farmers in this province, Mr. Speaker. The Leader of the Opposition, along with his other colleague from Saskatoon, foreclosed on farm families in the province of Saskatchewan, and I call that a shame act.

I want to say, Mr. Speaker, they speak in their righteous manner, their righteous manner, but I tell you, I warn the people of this province not to take heed of what they're saying because they will say anything, they will say anything to make you believe that they really believe what you, you know . . . want you to believe in them and that they care and all this kind of thing. I want to say, Mr. Deputy Speaker, that they are so power hungry, are so power hungry, it is pathetic, and yet they are just out-of-hand, they are out-of-hand radicals over there, Mr. Deputy Speaker. And they're known as the radicals of Saskatchewan.

I want to indicate to you, Mr. Speaker, when we talk about building Saskatchewan, when we talk about building Saskatchewan, we talk about building a base here for creation of jobs, getting our resource sector going, getting our tax base built up so that we can build new hospitals, new schools, new nursing homes, new highways. And I want to say, Mr. Deputy Speaker, that this has not taken a back seat to anything over the last seven years.

We have had record building years. We had record building years in hospitals. We did not have a moratorium on hospitals. We never had a moratorium on nursing homes. We were building. We were building and decentralizing the nursing homes and hospital care in this province. We took the hospitals and nursing homes and put them back into the rural communities throughout this province and took the pressure off the cities, took the pressure off the more central locations in the larger

centres in this province.

And I want to say to you, it was the member from Riversdale and now Leader of the Opposition, he was the one that decided that this was the policy that should be taken in the province. I've got seniors now living in their own communities in the nursing homes and in being able to get their care in hospitals and everything and be close to family.

I want to say that it never had been in the history of this province when there's been as much job creation and road building done as there is and has been in the last years under a Progressive Conservative administration. Why, you can just travel between Saskatoon and Regina and you'll see the twinning and the repairing and expanding of the twinning of the 16, the Yellowhead route.

And I want to say to you, Mr. Deputy Speaker, that if people travel into the riding of Cut Knife-Lloydminster or into the Rosthern riding, they'll see more twinning of the Yellowhead. You'll see the upgrading of No. 1, Trans-Canada Highway. I want to say, Mr. Deputy Speaker, that these are all job creation measures, and people have to be working in order to have these kinds of things done.

I want to say also that if a person had longer than 10 minutes you wouldn't have to jump around and you could be able to stay kind of focused on various different things. And it's a pity that these kinds of motions are broke down to a 10-minute thing because of the list.

I want to say, Mr. Speaker, that the member from Prince Albert, when he was up speaking here a little earlier, yes, I know he's ashamed of Weyerhaeuser. He doesn't want Weyerhaeuser in Prince Albert because that just sends a good message and it builds and it makes people feel good in their community, and he knows that he's got something to worry about come the next election. He has . . . and I'll tell you, Mr. Speaker, as the people in Prince Albert have been telling us, they can't wait until they can get rid of that guy. And I'll say, Mr. Speaker, that come the next election, he will be joining the member from The Battlefords, as both of them will be turfed. And those are the messages I've been getting from those two cities, from the city of North Battleford as well as the city of Prince Albert.

I want to indicate at the same time, Mr. Speaker, that as the NDP have turned their back in the days of the high interest rates and the days of commodity prices going down to all-time lows, and when they turned their back on agriculture and small business when the interest rates were 23 per cent, 24 per cent, I'll say to you, the people of this province are not going to forget. They're not going to forget that they were more instrumental in trying to bring home a constitution at that time than being home in the province of Saskatchewan and looking after the people in this province.

And I tell you, Mr. Speaker, that when we brought in our home mortgage protection plan, I'll tell you, Mr. Speaker, when you look at the stability in the market today, when you look at that stability, and people building a home and

knowing that they're going to have a nine and three-quarter percentage on mortgage rates — and I'll say to you, Mr. Speaker, then I would think that that comfort zone has created a real stability within that market and it has created many jobs in the construction industry — construction industry in hospitals, nursing homes, schools, highways, and you can go on — processing, manufacturing.

I'll say to you, Mr. Deputy Speaker, that there is nothing from anywhere in this province here where this administration's efforts to carry on and build jobs and diversify in this province, there's nowhere in this province where it hasn't been touched upon, where the jobs or the young people . . .

**The Deputy Speaker:** — Order. The member's time has elapsed.

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

**Mr. Gleim:** — Thank you, Mr. Speaker. It gives me great pleasure today to talk on rule 16, to commend the Government of Saskatchewan for the commitment to building and creating jobs in Saskatchewan. I will be supporting this motion, moved by the member from Yorkton, seconded by the member from Melfort.

I guess that is why it's so important, like the Premier of this province always talks about and emphasizes, that we have to build and diversify, especially with the drought in Saskatchewan in the last few years. That is why it's so important that we should be doing exactly this. There are many things we can do by building and diversifying, and I think we have the people in Saskatchewan that are here to do it — that is the private sector. They want to build; we don't want to buy. And I think that's what the people want. The people want to build it; they don't want the government to be buying it and owning it.

Why is it so important? Well I'll tell you. I'll just give you a few examples. We don't have much time, like the member from Cut Knife-Lloyd said, to talk about the initiatives that are here, that we are creating in Saskatchewan. We'll just go on to some of the things that I'm familiar, and that is happening in my part of the province. We'll talk about the livestock industry. We have the oil industry, oil and gas, building, water management.

Livestock industry alone, Mr. Deputy Speaker, is the heart of our province down there. But it alone can't support the people in southern Saskatchewan, so that is why it's so important to diversify.

We have the oil and gas industry down in our province that do create many, many jobs. Just to talk about one, we are in the initial stages of building a compressor station between Val Marie and Shaunavon, \$31 million compressor station. Maybe not too many people know about it, but it is in the works. They're going to be driving the piles this week or next week. That is going to create 100 jobs for one year, plus it's going to have many permanent jobs. That is diversification, and that is building by the private sector.

And that does help the industry down there, the agricultural industry, which is grain and livestock. The livestock industry alone, Mr. Speaker, six years ago there was no industry. We raised the cows; the cows had the calves; we shipped them out of the province. They either went east or they went west or south. Right now, Mr. Speaker, we're diversified, we're changing that. Six years ago there was 12 per cent of our calves stayed in the province — 12 per cent, Mr. Deputy Speaker, stayed in the province; the rest went elsewhere. Today, 55 per cent of those animals stay in the province, are finished here; are finished here and shipped to the packing plants here.

Talking about packing plants, the packing plants have increased their industry just for that reason — to help the agricultural industry. Without that industry there would be many, many jobs that wouldn't be here.

I guess it takes me to the subject of processing; the jobs are in processing. It takes jobs to feed cattle; it takes jobs to finish them off; it takes jobs to ship them out. But it takes more jobs to slaughter those cattle, but it takes more jobs yet to process them. Those are the things that we haven't been doing; those are the things we're talking about; those are the things that when we shipped our cattle out, everybody else benefitted by it except the people in Saskatchewan.

I think it's about time we turned it around, and it is turning around. With the increase . . . the Intercon building, on to their building, Canada Packers — they have faith in this province. They have faith in this government and we have faith in them. That includes me to say . . . it not includes me, but it gets me to maybe mention a few things that goes along with this, and that's your fertilizer industry. We've never had a fertilizer industry in Saskatchewan, but there is one coming — there is two of them coming.

(1545)

Those are the things that tie in to the feeding industry. They tie in to the grain farming industry, which is so important that you do have this industry here that when you need it, it creates jobs here. We don't have to go to Alberta; we don't have to go to Manitoba; we don't have to go across the border, or wherever. It is created here. The jobs are here. It belongs in Saskatchewan.

And along with that, I guess the most important thing that a lot of us overlook is water — water management. We always felt that, you know, water was free, but I guess maybe we all thought along the same line and never really took it for granted . . . never really took it serious. But water is not free. Without water you can't do any of those things that I was talking about.

I know we depend on the fellow that is so important to us, the fellow up above us and that has control over most of us, to give us the rain whenever we need it, but we don't always get it when we need it. That is why it's so important that we build on water management.

There's many, many things we can do to build for water management. Down in my part of the country, the last that there was ever done was in 1940. The last dam that was ever built for the storing of water was 1940 — that's

49 years ago. There was three dams built in that area down there. To this day, there's still just three dams.

But we do have between 40 and 50,000 acres of irrigation that we can't utilize without water management. That is why it's so important, and that is why we are looking to increase that, to upgrade the system that is there, to build, to store water. We have an international system down there that we share the water with United States. They too, at times, don't want the water when it's not being managed. So that's why it's so important that we manage our water at this end of it.

A few more other things that this government has done to help my part of the province is the gas and oil industry; underground power; the gas lines to the farmers, which has been very important; the underground telephone lines — individual line service. That is something that we've always talked about which is so important.

We always feel because we're on the farm we don't need this kind of service, but most farmers, they do have computers now. And as we say, maybe we're second-class citizens, but we're not. We're all the same. I don't care where you live or where we're at.

But it's so important to have that kind of system and to be right on top of things. And for the younger generation, the younger generation are the people that are going to be running this country, and that's why we're building it. We're building it for this next generation. We are here to help to generate it. They are going to carry on. And what comes after that will be their future, our future, and their grandchildren's future . . . our grandchildren's future, their children's future.

We'll talk about a few other things — hospitals and schools. We have built the integrated system in our part of the province down there, which people appreciate, in the town of Mankota. That system was changed from an old hospital into an upgraded hospital and a nursing home. That system has made that part of the community feel like it's part of the province. It is down . . . it is, you might say, kind of out of the way. But why should you leave just because a community is out of the way? Why should they not have the same facilities as the communities that are in the centre of attraction of everything in the province.

Schools is another. Education is such a big program in this province. It's a program that is increasing. It's probably a program that I don't understand any more because it's getting beyond from when I went to school. But I am interested in education.

In my part of the country we have communities that are very, very far apart, something like the North, maybe you might say, like the two members sitting from the North. But we just can't say, well you can't have a school; you've got to be trucked 85 miles to school in a bus, or whatever. We have to have schools.

We are building those schools. We have built three new schools in the last three years, Mr. Speaker. The people in those small communities appreciate that.

At one time there was a rumour going around — this is a

few years ago — maybe we shouldn't have schools in small communities; maybe there should be no schools that only have 60 or 70, 80, 90 or 100 pupils in that school. Maybe it's something maybe that's going to cost the taxpayer too much. But I don't think that way. I feel that we've got to think about those communities. Those are small communities; we've got to look after them. We've got to keep the education in . . .

**The Deputy Speaker:** — Order. The member's time has elapsed.

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

**Ms. Smart:** — Thank you, Mr. Deputy Speaker. I will be speaking in favour of the amendment put forward by the member from Prince Albert-Duck Lake, and speaking against the motion put forward by the government members.

I notice with interest that they talk about commending the government for its commitment to building Saskatchewan. And, Mr. Deputy Speaker, what I want to say to the members opposite is if you're so proud of the government record of building Saskatchewan, then why don't you co-operate with the provincial Public Accounts Committee and Provincial Auditor's report and let us see where half the taxpayers' money of Saskatchewan has been spent over the last year in these projects that you've schemed up, that you're so proud to boast about?

We have an auditor's report that indicates to us that there's been some very, very questionable activity going on by the government opposite. And, Mr. Speaker, I've been away for a few days, and I've come back here to discover not only that we've had the issue of the auditor's report — which was in the works before I left — but also that the government has gotten itself tangled in with this terrible GigaText scam where money has gone out of the province *carte blanche* to someone who had a fantasy for a computer system that was going to translate English to French.

Now, Mr. Speaker, when I've been speaking in this legislature, I have often questioned the government's attitude towards the high-tech industry, which is an example of the kind of promotion that the government opposite is doing of different projects without thinking them through, and without thinking through the implications for the people of Saskatchewan. I've been very concerned.

And when I come back, I discover that they've been developing economic policies which, to me, through something like promoting the GigaText scheme, looks as if they've been developing their economic policies by watching the *Star Wars* movie through the bottom of a bottle of scotch, because it's just totally unrealistic and totally a fabrication to think that something like that would be feasible.

And to put money *carte blanche* into a scam with a person who has this sales pitch, this snake oil scheme that they've contributed to, just underlines the feeling of apprehension and concern that we have on this side of the House and our questions about the government



policy about building and about where the province is going in the future. It highlights intensely the questions that we have about where we're going.

And when they now want to call us the NDP radicals, I say that if a radical is a person that wants to get to the root of the issue, which is how I understand the term, then I'm very proud to be called a radical.

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

**Ms. Smart:** — Because what I want to do, Mr. Speaker, is get to the root of the issues around what's happening to the taxpayers' money of Saskatchewan, where this government opposite will only let us see what's happened to 50 per cent of it, and a concern about the rest.

I want to know more about this GigaText scheme and some of the other things that this government has been promoting. I'm very concerned. The taxpayers' money is the money that is collected from the people of Saskatchewan for the projects that the government endorses, and it's obviously completely irresponsible in what it's been doing in these examples and in many others that I'm sure will come to light in the future, and have been questioned in the past.

Mr. Speaker, very quickly then, I want to talk a little bit about how this government opposite talks about building and creating opportunity. But what we really have to talk about is the problem that has troubled Saskatchewan people for the past seven years and has now become critical in so many ways. It's the economic failure of the PC government here in Regina. And the true measure of this failure is the toll of hardship imposed on Saskatchewan families.

We've had lost jobs and lost opportunities, and this is the price that Saskatchewan people have been forced to pay for the PC government's economic failures. I only have to think of the people in my constituency who've been put out of work, the workers that I've mentioned many times — the potash worker that I spoke to the other day, gone into a retraining program and doesn't know whether he's going to lose his home because he won't be able to pay the mortgage. And you can boast about the mortgage payments, but if you haven't got a job, you can't pay the mortgage to start with.

The failures of the government's economic policies and their impact can be vividly illustrated in several different ways. First of all, investment. One of the basic tests of sound economic performance is the overall level of investment. And despite the PC government's talk and despite its open business policy, total real investment has dropped sharply in Saskatchewan.

In constant dollars the drop shows that the PC policy of megabucks for megaprojects is failing; it's failing to sustain basic levels of capital investment, and this has forced the hardship of unemployment onto thousands of Saskatchewan families.

In the past six years, the number of jobs created by this government has been a total disappointment. Mr.

Speaker, from 1971 until 1981 there were an average of 9,100 new jobs per year created in this province. And from 1981 to 1988 that figure has dropped to an average of only 3,714 new jobs created each year.

Unemployment, on the other hand, has almost doubled during the PC's term in government. In 1981 the figure was 21,000 unemployed; in 1988, 37,000. The unemployment rate in our province has soared from 4.1 per cent in 1981 to 7.3 per cent in 1987. In the NDP years of government, unemployment was never over 5 per cent. In the PC years, it's been never under 6 per cent.

The severe hardship of unemployment has been experienced by thousands of Saskatchewan families, and the government opposite has the nerve to pontificate about building the province. The government opposite builds for its own special friends and cronies, Mr. Speaker, and that is very obvious in the kinds of projects that have been approved by this government — their friends and their cronies. And the general economic indicators tell the true story of the failure of the PC economic policies.

Youth unemployment among the age group 15 to 24 years is consistently higher than the province's general unemployment rate. And the youth unemployment rate in May of this year was 12 per cent. That's almost twice the provincial rate of 7.4 per cent.

Young people in rural communities and the towns and in our cities, cannot find jobs or opportunities for their future here in Saskatchewan. They are being forced to move away, taking with them their hope, their energy, and their ability. And, Mr. Speaker, the unemployment rate in Saskatchewan would be a lot higher were it not for the unprecedented out-migration of people from this province.

The provincial government's own figures on interprovincial net migration clearly show the pattern since 1982. Among that, the 15- to 24-year age group, Saskatchewan now suffers net out-migration of more than 3,000 per year.

Thousands and thousands of other people are also leaving the province, Mr. Speaker. Young families from rural communities and from our towns and cities are being forced to leave Saskatchewan to find jobs and opportunities elsewhere. Last year, for example, there were 13,346 more people who moved out of Saskatchewan than moved in. The PC performance, judged by that test, I say has failed dismally.

Unfortunately economic conditions are little better for those who do find a job and do remain. As every family knows, Saskatchewan wages are just not keeping up. The latest figures from Statistics Canada show that the average weekly earnings in Saskatchewan are the second lowest in the nation. Only Prince Edward Island is worse. Nova Scotia, New Brunswick, Newfoundland — provinces that we've always considered to be poorer than ours — are now ahead of us in the industrial weekly earnings average.

Many of the people who are working are young people

and women, and they suffer the most because their jobs are at the minimum wage or tied to the minimum wage. Since 1982 their wages have fallen far behind the increases in the cost of living. Since the PC government took office, the Saskatchewan minimum wage has had the lowest increase in Canada. It's worse than every one of the other 12 jurisdictions.

Social assistance rates. There's been a substantial increase in the number of families forced onto social assistance, and all across the province families in communities have become deeply concerned about food banks, child hunger, and the poverty that is the harsh PC reality.

We sometimes hear the PCs defend their policies, the rising number of unemployed, the rising number on welfare, the low wages, by trying to argue that their policies are good for business. But that is cruel, it's immoral, and it's a divisive argument, and moreover it's false.

(1600)

Mr. Speaker, you have to just realize that there are many bankruptcies in Saskatchewan to know that small business is suffering as well. The latest figures available from Statistics Canada show that in 1988, total retail sales growth in Saskatchewan was the second lowest in . . .

**The Speaker:** — Order. Time has elapsed.

**Mr. Trew:** — Thank you, Mr. Speaker. We are witnessing today a discussion about the actions of the government, the failure to create jobs, the fact that last year alone we drove . . . the provincial government drove . . . 13,346 people more left the province of Saskatchewan than came in. And that because of the failed economic policies of a tired and worn out government, a government that after seven sorry years has shown nothing but contempt for the people and has shown a dismal failure.

Last year the top 170 corporations in Canada recorded a profit of \$18 billion; that's up from 11 billion. The year before . . .

**The Speaker:** — Order. Time has elapsed.

## MOTIONS

### Resolution No. 8 — Ramifications of Proposed Sales Tax

**Mr. Kowalsky:** — Mr. Speaker, I rise to present an argument for the motion on the order paper, item no. 3, which reads:

That this Assembly communicate to the Parliament of Canada its strong opposition to the proposed new sales tax which will cost the average Saskatchewan family at least eight hundred dollars more each year and further increase the onerous tax burden on low and middle income Canadians.

I will move that motion, Mr. Speaker, at the end of my remarks. The motion will be seconded by the member

from Regina Centre.

Mr. Speaker, there are a couple of main regions of argument that I will be making with respect to this motion. If each one of our families on the average in Saskatchewan will be faced with a tax increase of 800 or more dollars, that requires considerable scrutiny on our part as legislators. And I ask the members opposite to pay careful attention to the motion and to the arguments because, Mr. Speaker, quite obviously every family in Saskatchewan will be affected. And it's important that our arguments be made to our federal counterparts who will be responsible for implementing this rather large tax grab.

I'm going to be making the argument, Mr. Speaker, from two points of view. First of all, that it's a bad tax in terms of that it is a regressive tax, that it's inflationary, and that it is really hardest on middle and poor income people.

Secondly, the argument I'm going to make, Mr. Speaker, is that I don't believe that the federal government, the federal PC government, is any more credible than this provincial PC government. And I strongly believe that any tax money that we collect in addition to what has already been collected from the taxpayers of Saskatchewan will just be wasted the way that past tax increases have been wasted.

The more money they get, the more they seem to spend. And I'm afraid that what's going to happen, Mr. Speaker, is people will eventually just get fed up with paying more and more tax money and we'll have a tax revolt in this country similar to what was to happen in California a few years ago, and people will just refuse. And at that stage, a lot of the programs and some of the good programs that our tax dollars support will be scrapped, Mr. Speaker.

What is going to happen, Mr. Speaker, as a result of this tax, first of all from the fiscal point of view? If you put on a 9 per cent tax, a value added tax on all goods and services with some stated exceptions, what's going to happen? Well Mr. Wilson himself has indicated that this tax is inflationary and it will cause inflation to increase by approximately 3 per cent — 3 per cent per year.

Now if you put that on top, Mr. Speaker, of the existing 4.4 per cent of inflation that we have here now in Saskatchewan, you're going to have an inflation rate which will bring us back right to those unacceptable figures of inflation over 5 and over 6 per cent. It will be 7.4 per cent. Now that, we know, is going to be cause for alarm, because part of the whole argument, particularly of the federal PC government, has been that they are trying to keep inflation under control. Yet while trying to keep inflation under control on the one hand, and providing a . . . instituting a tax on the people of Canada which will cause inflation to go up by 3 per cent, just doesn't make any sense.

Not only will it be inflationary continually, but there will be a period of time during implementation when the inflationary costs and the cost to the consumer could be much greater. It's my understanding, Mr. Speaker, that there is nothing — there's no obligation for businesses or manufacturers to reduce the 13.5 per cent manufacturers' sales tax during the period of implementation of this tax.

So if that happens, we're not only going to get the 13.5 federal sales tax, manufacturers' tax, but we're going to have this additional 9 per cent added on the goods and services . . . this goods and service tax. Now that's going to mean really a double whammy in terms of taxation, and for a period of time that'll be very inflationary.

And we know also, Mr. Speaker, that any time a vendor has a . . . there's a tax increase of some sort, usually the vendor will find ways of using this as an opportunity to add margin. Or if there's a tax decrease, rarely do the taxpayers ever get it, and you know full well that farmers know how this happens. Any time the price of wheat goes up and down, it certainly isn't reflected in the price of bread. The price of bread certainly continues to keep rising even though the price of wheat may go up and down. And here we have a change in tax structure, and I don't expect that the prices are really going to decrease during that particular change in tax structure.

What's a government going to do? How is it going to react? How is the federal government going to react when this inflationary pressure hits the Canadian economy? Are they just going to laugh it off and say well, okay, that's what's happened, or are they going to behave as the way they did in the past? In the past, what we've done every time, every time that there's been an inflationary pressure, they've used the monetary method of increasing the interest rates. And that has been devastating, absolutely devastating on the Canadian economy. Because when you increase the interest rates, the price of everything else goes up and you get into a spiral. And we well know that. The price of all the goods go up and eventually people get so that they're paying more in interest rate, less on other goods and services, and the economy goes into a tail-spin, as we are into right . . . or have been for some time now, Mr. Speaker, with the exception of course of Ontario, where things are a little different.

When interest rates went up in Saskatchewan, and since they've been rather high, they were the cause of a record number of bankruptcies. Those interest rates were at their worst perhaps in the early '80s, but the spin-off of the difficulty from those interest rates is still being felt. And to this day we have governments now who are attempting to subsidize interest rates in certain places.

Now we have a government that will be doing two things at once. We have a federal government that'll be increasing the interest rates and, at the same time, other governments are trying to subsidize interest rates — a vicious circle which just doesn't make sense, Mr. Speaker. It needs to be addressed in a different way, and I will have some comments on that in a few moments.

Now what will happen, Mr. Speaker, if our Minister of Finance doesn't integrate the 7 per cent sales tax into the 9 per cent value added tax? And to date there is no agreement on the part of the province of Saskatchewan. Perhaps there is a secret agreement; we don't know. I can only say, I hope there is, because if this 9 per cent is added and we have 7 per cent added to that, that's going to be a 16 per cent tax on everything, everything in the province pretty well — everything that's worth over 100 or \$200.

Now what kind of an effect, for example, will that have on home building, Mr. Speaker? The Canadian Home Builders' Association, as well as the Saskatchewan Home Builders' Association, have estimated that the new tax would immediately increase the average price of a home by about \$10,000 — \$10,000 as of January 1. Now that's rather a devastating . . . in fact, our housing starts in Saskatchewan are next to nil right now, the way it is. What this would do, Mr. Speaker, is it would continue the difficulty the people would have right now in the home building program.

The reason for this \$10,000 is because this value added tax is added at several stages. It's added . . . the person who buys the wood from the wood lot would pay a certain amount, and he'd have to pay a 9 per cent value added tax. That logger would then sell it to a mill. The mill would have to pay an additional 9 per cent. The wholesaler buying it from the mill would have to pay an additional 9 per cent. The retailer buying it from the wholesaler would have to pay an additional 9 per cent.

So when you add all of this together, and when the Canadian Home Builders' Association and the Saskatchewan Home Builders' Association add it together, for the average-priced home that's being built in Saskatchewan right now, they're saying it would add the cost of about \$10,000. They're very concerned about this, Mr. Speaker, and the issue needs to be addressed.

Retailers: retailers are rather concerned about what the impact of this is going to be to their business, particularly how are they going to cope with the administrative details and administrative costs? Even the Canadian Federation of Independent Business, that staunch supporter of the Tory party, is uneasy about the effects of the goods and services tax on business, Mr. Speaker.

It's interesting to notice that when the Tories first started talking about this tax, this value added tax, they said it was going to be revenue neutral, which meant that once it was implemented, there would be no more tax collected than is collected right now. And they used phrases like, this tax reform would result in more "fairness for Canadians."

And yet on May 4 of this year Michael Wilson told the finance committee of the House of Commons that this goods and services tax will collect \$6.5 billion more than what the federal government will collect in sales and excise taxes just prior to this tax being implemented. He said it should collect an approximate amount of \$23.5 billion from the people of Canada. And that represents a figure of \$6.5 billion more. That's hardly, hardly revenue neutral.

It points out, Mr. Speaker, that the federal government just doesn't have any credibility when it comes to tax reform. It's very related to what . . . very much akin to what this government in Saskatchewan has done when they started talking about tax reform. We heard budgets introduced in this House; they were called the most intelligent budgets. And we all know that the tax reform in the end simply means more taxes.

It amounts to really a tax grab, Mr. Speaker, and I want to

... a tax grab. And I want to compare it for a moment with the tax grab that was instituted in the province of Saskatchewan; that is the flat tax, which was first set at 1 per cent and now is up to 2 per cent, not to mention the increase in the sales tax from the 5 to the 7 per cent, and, of course, the gas tax that's been instituted here in Saskatchewan.

Mr. Speaker, when we increase taxes we expect either an increase in service, or perhaps a reduction in debt, or perhaps just to keep up with inflation, one or the other, when we increase taxes. But what's happened in Saskatchewan is we've had things going exactly the opposite way, and I'm afraid that this particular tax grab at the federal level will do the same thing. We're going to continue to see increased taxation, we're going to continue to see reduced services, and we're going to see continued increase in debt.

(1615)

The rationale that the federal government has been building up over the last year or two has been that we have to get a hold of the deficit. And that's quite true; we have to get a hold of that federal deficit. It really is quite a massive thing. And if you take a look at some of the numbers on it, which I propose to do now, to take a look at the rationale, I can agree, and I think every member can agree, that we have to do something to take a look at the deficit.

Just how big is the federal deficit that we're trying to attack here, Mr. Speaker — just how big, and where did it come from? And I will answer that question shortly.

First of all, I want to say that the federal deficit amounts to about \$13,000 per capita — \$13,000 for every woman, child, and man in this country. Every child that is born is born with a price tag of \$13,000 on his or her head that mom or dad have to pay off. And at the rate the Tories are creating the deficit, it will never be paid off. It's those youngsters that are going to have to pay it off.

Now that's just the federal deficit; that has nothing to do with the provincial deficit, which is at \$3,900 per man, woman and child right here. How was it created? In Saskatchewan, the Saskatchewan deficit was created since 1982 by the members opposite. The federal deficit was created by two successive governments — two successive governments, largely, the Liberal government, which preceded the Mulroney government — and if you take a look at the records starting back in 1976, the federal deficit was created at this rate: 6.2 billion in 1976; 12.6 billion in 1978; 1979, 11.5 billion; and 1982-83, 27.6 billion; and Mr. Lalonde's last budget, '84-85, the record 138.3 billion. That was a Liberal government, federal Liberal government.

If you average all those out, Mr. Speaker, it comes out to about roughly 22 billion per year, the deficit. That means that deficit was added to on an average of 22 billion per year. Well, the Tories said that this was just not right thing to do, and everybody agreed with them; it wasn't the right thing to do. It was going in the wrong direction. So then what did they do?

Well, since the Tories have come in and the figures that I have here, Mr. Speaker, are: in 1986-87, Mr. Wilson's first budget was 30.6 billion. His next one was estimated to be 29.3 billion, I think it came in higher than that, and the following one was for '88, was 28.9 billion. And when you add this year's, which is another 29 billion, I believe, you'll find that that average — the average deficit of the federal government created by this federal Mulroney government averages far more than the first 22 million per year, which was bad enough, but now we're much closer to an average of 30 billion per year adding to the deficit.

Well, Mr. Speaker, one way of looking at the deficit to put it into a ... I guess another perspective would be to think of the deficit as a portion of how much money a person earns. You see, Mr. Speaker, if ... take any person — your neighbour, perhaps, or my neighbour — and if a person has got a \$10,000 debt, now that person's got a \$10,000 debt on a salary of \$100,000, then he's got a debt ratio of 10 per cent; that is, 10,000 over 100,000. He could probably manage that debt, but when you take that same debt over a net income of only \$50,000, if a person, or a family's got a \$50,000 annual income and they're carrying a \$10,000 debt, then you're looking at a 20 per cent ratio. If you're down to a salary or an income of \$20,000 and still have the same kind of debt, then a person ... then you've got a \$50,000 ... pardon me, a 50 per cent debt ratio.

Now think of which case is the worst scenario, Mr. Speaker — the person that's carrying a \$10,000 debt that has an income of \$100,000, or \$50,000, or \$20,000. Which one is in the worst situation? And the answer is quite obvious. It's going to be very difficult to carry a \$10,000 debt load if you've only got a \$20,000 income, because your debt load is about 50 per cent.

And when you take a look at what our nation's debt load is, compared to the gross domestic product, that is the value of all the goods and services produced by the citizens of this country, we get into exactly that situation. We find that the figures are that we have an estimated gross indebtedness right now of about 55 per cent — 55 per cent is our ratio. That is the ratio of the debt to the total income of the country. And the problem there, Mr. Speaker, is that it's been growing. It's been growing continually since about the early 1950s. It's about 10 per cent higher than it was in 1984-85, and growing.

There is one precedent — or a time when it was worse, Mr. Speaker, and that was a time right after the war. And we're certainly not coming out of a war, and we certainly don't have all types of young soldiers and young people coming back home to do a lot of work and to pay off the debt. That's not the situation. We have an ageing population in our country right now, Mr. Speaker.

So I'm making this point, Mr. Speaker, because I want to say that when we have a tax increase of 8 per cent being imposed, the value added tax, that's going to yield quite a bit of money. Now that should at least do something to pay off the deficit. It should reduce the deficit if anything, because our ratio of deficit is just too high in this country right now. It's getting to proportions which are alarming. We're at 55 per cent. Now the ... and if the people of Canada had some faith in the government that they would

actually be able to take this money, this extra money, and use it to pay off the deficit so that we wouldn't have a growing and mounting debt, then it may be better accepted. But at this rate it's not very well accepted, Mr. Speaker.

Mr. Speaker, one of the . . . what the government should be doing prior to instituting any kind of a tax, any kind of additional tax, is taking a quick look to see what is happening to the deficit; why is it growing; what's happening to it? There have been several myths perpetrated — among them have been the cost of the social service programs that we have, namely the old age security program and the family allowance program.

These have been brought to the fore, Mr. Speaker, to mask what I say are the true causes, because those are not the true causes of our debt. They may add to it slightly, but only if you add that to the very end. But there are other things that can be done in a much fairer way to reduce the deficit, and I want to address these briefly.

The main one, the one that I want to spend the most time on, is that there is a certain element of society, a certain group in society that is not paying the tax that should be paid. And that is the corporate structure, the corporate monopolies in Canada or that are operating in Canada. They just are not paying what they should be doing.

What has happened? If you look at the figures, Mr. Speaker, what's happened is that the source of revenue has dropped considerably — considerably — from a peak in the mid-70s of 26.2 per cent — 26.2 per cent of all tax revenues used to come from corporations in Canada. What is it now? It's down to 15.6 per cent. Now that's quite a difference. That's a drop. If your taxes or my taxes were dropped from 26 per cent to 15 per cent, from that rate to the lower rate, I think we'd be feeling pretty good, Mr. Speaker. We could be walking around with our heads up high.

When did this come about, Mr. Speaker? It came about since the mid-70s. We had a slow erosion because we have an increasingly powerful corporate monopoly, and we have a government that is unwilling to stand up to the lobby of that corporate monopoly. And as a result, the taxes are being shifted away from the corporate monopoly, more to the individual taxpayer and to the individual property owner. That, I believe, Mr. Speaker, is one of the biggest things that should be looked at when we're talking about tax reform of any sort.

It's interesting that we just went through an election, a federal election, and we had the Tories on the side of the corporate monopolies, on the side of free trade. The effects of free trade are going to be, Mr. Speaker, to even reduce that corporate tax structure more in the direction of the 15.6 per cent, more in the direction from the corporates paying a fair share, to the corporates paying a smaller and smaller share of the Canadian tax dollar.

There are a couple of other reasons why our deficit is at a fairly high rate, Mr. Speaker. Another one is that the employment rate is just unacceptably high, and it's pretty hard for a company to make money when part of its work-force is not working. It's very difficult for any kind of

a small business or a family business to make good money if the entire family isn't working. And it's also very hard for a nation to keep its books straight if the nation isn't working.

Now it's the nature of the free-market system and corporate capitalism that there should be some unemployment. It desires it. It desires unemployment because that unemployment can keep the wages down, can help the corporations keep the wages down. And until you address the high unemployment situation, Mr. Speaker, I say that we will never be able to address our deficit situation. And until our deficit situation is addressed, I say we shouldn't be asking people to shell out more taxes.

I've already talked about interest rates, Mr. Speaker, about the effect that they have on the deficit structure in our country. What could we do, Mr. Speaker? Well we could do exactly the opposite of what is happening to reduce our deficit. And we could do it without, first of all, adding in any kind of a value added tax, any kind of a 9 per cent added tax.

You could regain some credibility, governments could regain some credibility. And that's why I'm asking this government, the government opposite, to join us in this particular motion to oppose the value added tax, because there are things that we should be doing first to address the matter of the deficit. And I'm going to mention a couple of them now.

The first thing that should happen, Mr. Speaker, is we should take a really hard look at the interest rate policy of this country. The interest rate policy should not be used as it is being used to try to counteract inflation, because it is inflationary in itself, and there's plenty of evidence for that. And if it was eased slightly, ever so slightly, we know that it would decrease the deficit. We know that because the interest rates went up this year, that the federal deficit increased a greater amount than Mr. Wilson expected it to.

There is now a preferential treatment, Mr. Speaker, for those that get money from capital gains. That loophole should be closed. With the exception of people who are in small businesses and on farms, that loophole of capital gains tax should be closed. There's an extraordinary amount of money that could be collected, and it could be collected fairly, and it would keep the tax structure more fair if it was done that way.

I want to talk a little bit about the effect of the lobby, the corporate lobby that I've referred to earlier. Mr. Speaker, just think that if instead of having corporations hiring lobbyists, as they do by the dozen in Ottawa to lobby various ministers to change policies and directions of the corporations; if the Tory government had some kind of an annual conference and where they brought together representatives of business and labour, and if people from regions of all sections of Canada, including Saskatchewan, where we could have a bit of a public dialogue on this; and instead of having the lobbying done behind closed doors, we had a public dialogue where we could come to an agreement, I'm quite convinced that the taxpayers of Canada are willing to pay fair taxes. They just

don't want to see the tax dollar disappearing and being used up for things that they don't approve of, particularly the waste that we've seen, Mr. Speaker. We've had plenty of that in this government.

(1630)

Mr. Speaker, when it comes to corporations, we're aware that in 1986 there were a large number of profitable corporations who paid no tax at all. There were 89,000 profitable corporations in '86 who paid no tax at all in Canada. There was \$21 billion in corporate profits which was not taxed at all in Canada — loopholes. Those loopholes exist, yet the federal government wants to bring in an 8 per cent value added tax, and so far the government opposite has been supporting that.

There is at least 60,000 profitable corporations, according to the Department of Finance, the federal Department of Finance — there are at least 60,000 profitable corporations which will continue to be non-taxpaying following the full implementation of this so-called tax reform. Now if there was some kind of a minimum corporate tax that was put on, I say we could go a long way without having to go on with this regressive 8 per cent value added tax.

It's interesting, Mr. Speaker, that the people of Canada in general favour an imposition of higher taxes on corporations. This has been documented in *The Globe and Mail* in a poll that they took, and it's an issue that I believe is about three weeks old, from *The Globe and Mail*. It's by Les Whittington, and the title says, "Tax corporations to reduce federal deficit, 82 per cent say." What do they say?

An overwhelming majority of Canadians want the federal government to impose higher taxes on large corporations to help ease the deficit, according to a poll released today.

And the poll does show broad support for the idea of cutting the \$29 billion federal deficit.

The public would be in favour of that, Mr. Speaker. It would be a very popular move. It's been spoken by members of our side repeatedly, many times — they're polling to back that up. The government members would be advised to take a look at that; fill some of those loopholes before we add another tax, another 8 per cent value added tax to all goods and services in Canada.

There are other loopholes, not just corporations, Mr. Speaker. There are 6,250 individuals . . . There are some people in this country that do quite well, that earn over \$50,000 — 6,250 individuals that earn over \$50,000 that don't pay any tax, don't pay any income tax. That kind of loophole should be closed, Mr. Speaker. Then we should go maybe for additional tax, or at least then it would be credible to go for additional tax. There are over 100 people in the country that earn a quarter of a million dollars or more and don't pay any tax. Somehow that just doesn't seem fair, Mr. Speaker.

A tax system, to be accepted by the people, needs to be fair. And when you look at some of the things that are

happening in the country, it's no wonder that we're close to a tax revolt on this.

Mr. Speaker, I want to turn once again to this item on debt, net federal debt, so that I can just bring the comparison back to something that is fairly easy to understand.

When we look at a debt deficit and we talk in billions and billions of dollars, it's very difficult to relate to a person who is earning an ordinary income, an average income, say, from 20,000 to \$40,000, or whatever it might be. But if you take the federal debt and you look at it from the point of view of \$13,000 per person — that's what the federal debt is now, \$13,000 per person — and then you look at it, also add to that the provincial debt of \$3,900 per person, you can see that there's a massive debt.

When you add to that another scenario and say that of our debt, of the total production of the country is only twice as big or slightly less than twice as big as our national debt, then you know you've got troubles. If any household had a debt ratio to what they earn of 55 per cent — that's what our country is — we know we have to take a look at the deficit.

And the argument that I'm trying to make here, Mr. Speaker, about this 8 per cent value added tax, is that the Government of Canada shouldn't be looking at just this 8 per cent value added tax; it should be looking at where it's spending the money. Now I'm saying that it's misusing the money very much like this provincial government is, and I want to give you a couple of examples.

Here is an article from *The Financial Post* of June 10, 1989, and the headline is, "Ottawa gears up for GST launch." That's the goods and services tax launch, Mr. Speaker. The sub-headline says, "Implementing the new sales tax means hiring thousands, spending millions." Now somehow we know that if you're going to try to cut the deficit, you've got to try to reduce spending. But what's going to happen when they implement this tax? The article as it reads:

The federal government is gearing up to hire thousands of extra staff and spend millions of dollars on a public education campaign in preparation for the new goods and services (sales) tax.

So they're going to have to hire thousands of staff just to look after this tax, which in itself will absorb a lot of the money.

Government officials say the extra staff is needed by Revenue Canada to administer the broad-based tax, which will replace the federal manufacturers sales tax Jan. 1, 1991.

So it's bad enough that it's going to cost us more to do that, but now what we have to do is we have to be convinced, or at least the federal government thinks we have to be convinced of the fact that we should have this tax.

So what are they doing? Well they're budgeting some

money to privatize this . . . or pardon me, to advertise this. There's some similarities there, Mr. Speaker.

They're going to be budgeting millions to promote this tax deal. The best indication we have of how much it's going to cost us is going to be that the last campaign of this type, that is the campaign to publicize the free trade deal, cost the Government of Canada about \$13 million. Now if it's going to cost another \$13 million in advertising, we'll be having a government which is wasting its money on advertising very similar to what this government in Saskatchewan has done.

The people of Saskatchewan are not very fond of paying tax money for advertising, particularly not fond of having more tax money raised so the government can advertise more. That's like paying somebody to buy a whip and then leaning over and being whipped.

Mr. Speaker, this Government of Saskatchewan you will recall spending in the vicinity of 35 to \$40 million in advertising. The SaskTel bond issue itself cost this government about three and a half million of advertising. Before the government was brought to its senses by the opposition here, they were talking about advertising the SaskPower privatization and the potash privatization. Now if the bond issue costs about three and a half million to advertise, what would it cost to advertise those other two? Tremendous amount, tremendous amount, Mr. Speaker.

My main tenets, Mr. Speaker, of the entire argument that I've made then is that the taxation that is going to be levelled at the federal level should not be levelled until the government has found some way of containing itself in its waste and mismanagement. People of Saskatchewan know better what's happening right here. And by comparison, we know that the government has mismanaged to a great extent. Most recently we've seen \$4 billion . . . well, a little over \$5 billion wasted on this GigaText contract, wasted.

We've seen money that's caused the deficit to rise being spent on a birthday party that nobody wanted. We saw a dam, a Shand-Rafferty dam which has been put on hold, because it has not passed the environmental laws that the government itself set. And there's a pile of money being wasted there, Mr. Speaker. The total cost could run as high as a billion; I think at this stage we're well into the \$200 million mark.

So, Mr. Speaker, the 8 per cent value added tax is a bad deal for two reasons then. First of all, we shouldn't be putting any tax . . . shouldn't be asking the taxpayers to pay any more tax until the government cleans up its mess. Secondly, it's just the wrong kind of a tax to put on. It is not a progressive tax; it shouldn't be issued that way.

Mr. Speaker, accordingly, I move and seconded by the member for Regina Centre:

That this Assembly communicate to the Parliament of Canada its strong opposition to the proposed new national sales tax which will cost the average Saskatchewan family at least \$800 more each year; and further, increase the onerous

tax burden on low and middle income Canadians.

I so move.

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

**Ms. Atkinson:** — Thank you very much, Mr. Speaker. Mr. Speaker, I'm pleased to be able to join my colleague, the member from Prince Albert, in the debate on this particular motion. And as you have just said to the public that are watching this this afternoon, that what we want to be able to do here today is communicate to the Parliament of Canada, and specifically to the Prime Minister of Canada, Mr. Mulroney, and to the Finance minister, Mr. Michael Wilson, that our Legislative Assembly is opposed to the proposed national sales tax on goods and services, that would amount to about a 9 per cent increase on goods and services that would come into effect on January 1, 1991.

Now, Mr. Speaker, as all members of this legislature have . . . members of the small-business community are extremely worried and concerned about what this sales tax will mean to their businesses and what sort of impact it will have on the revenues that they generate to keep people working in their stores and shops and places of work. They're concerned about their profit margins decreasing as a result of this sales tax.

So I think it's important that all members of the legislature support this motion and convey to the members of the Government of Canada, the Conservative Government of Canada, that this Legislative Assembly, this Legislative Assembly here in Saskatchewan, is opposed to this new tax on goods and services.

Now, Mr. Speaker, virtually all goods and services in our country will be taxed. There are very few exemptions, according to the papers that have been provided by the federal government and according to the reports in the newspaper. The services that will be tax free, or will not have this 9 per cent tax, are basic groceries, and we've not yet had a definition of basic groceries conveyed to the public. Another item that will be exempt from this tax is prescription drugs. I understand that medical and health services will be exempt, as will child care and legal aid services and educational services.

Now, Mr. Speaker, New Democrats have long recognized that there are inequities in the existing sales tax system here in Canada. However, unlike the Conservative parties in Canada, both here in Saskatchewan and at the national level, our objective has been to reform the system. That's been our objective, not to heighten the regressive nature of this particular sales tax that we have before us.

Now the economy of Saskatchewan can ill afford the possibilities of even greater and higher interest rates caused by the 9 per cent goods and services tax.

Purely speaking, Mr. Speaker, that this is a tax grab on the part of the Government of Canada. This tax grab, as I understand it, will mean that it will cost the typical Saskatchewan family of four approximately 850 to \$1,000 in more taxes. That in fact is the case.

(1645)

**An Hon. Member:** — Where'd you get that number, pray tell.

**Ms. Atkinson:** — Now the Minister of Education says where, pray tell, did I get that number. That number comes out of some of the briefing documents provided by the Minister of Finance at the federal level. That information has come from your own colleague in Ottawa, Mr. Minister of Education, if you'd care to read some of the newspapers and briefing items that are available . . .

**The Speaker:** — Order, order, order. Order. Would you allow the hon. member to continue without constant interruption. Order, order.

**Ms. Atkinson:** — Thank you very much. Now as I was saying, this particular 9 per cent increase in goods and services tax, or the new national sales tax, comes into effect January 1, 1991. From a purely tax point of view, Mr. Speaker, this is a regressive tax and it can only be seen as a tax grab.

Now in 1984, when the Conservative Government of Canada came to power, the federal government at that time collected about \$26 billion in sales and excise taxes. Today the same government, the government that promised to reform the tax system in our country, is collecting in excess of \$20 billion on the sales and excise taxes. It is estimated that each Saskatchewan family has had to pay an additional \$950 in sales taxes alone under the federal Conservative government in Ottawa.

Now consumption taxes have gone up by 55 per cent. That's how much consumption taxes have increased in our country since the PC government in Ottawa came to power in 1984. That's compared to a 33 per cent increase in personal income taxes and a 17.7 per cent increase in corporate income tax. And it's quite typical of how this government and how the government in Ottawa views the tax system.

They're quite prepared to have millionaires and welfare mothers pay the same sales tax. It costs the millionaire the same amount of money in terms of the sales tax to go out and buy a bag of Pampers as it costs the welfare mother. It costs the billionaire the same amount of money to go out and purchase a lawn-mower, if that's what's necessary, as the person on social assistance. And so what we've always said is that the sales tax is a regressive tax.

Now this government in Ottawa, and this government here in Saskatchewan, continues to increase personal income taxes, and yet when you look at what's happened to corporate taxes, corporate income taxes in this country and in our province, very little has happened. We have people who are generating millions and millions of dollars in profits, and yet those people, those corporations, aren't being adequately taxed.

And so what we think needs to happen is a proper review of the tax system in this country, not just personal income taxes, but also sales taxes and corporate taxes has to

occur in order that we can have a tax system that properly reflects what's really happening in this country, and in order to have a tax system that's fair.

We think that the reliance on a consumption tax makes very little sense, and in fact what it does is it makes the overall system more regressive. It's not fair. And now what this government in Ottawa wants to do is go even further and introduce an additional or a new goods and services tax. This tax is clearly inflationary, and even Michael Wilson, the federal Finance minister, has indicated a few weeks ago that once this new tax is imposed, we can expect to see a 3 per cent increase in the inflation rate.

Now for those people living in Saskatchewan who are presently facing a 4 to 5 per cent inflation rate, what we will see, come 1991, is a 7 to 8 per cent inflation rate. And obviously that has a number of people concerned, particularly small-business people who, as you know, Mr. Speaker, are having a very difficult time generating revenue in this province because people simply don't have the change in their pockets to go out and purchase the kinds of goods and services that they once were able to purchase.

And small-business people are concerned that once this new national sales tax comes into effect, or the value added tax, or the goods and services tax, however you want to describe it, that that will have a serious impact on their business. They suspect that revenues will drop off, and obviously that will impact on the number of people that they're able to employ.

Now, Mr. Speaker, even the Bank of Canada, the governor for the Bank of Canada, John Crow, has admitted that a new sales tax would add to the inflationary pressures faced by the people of Saskatchewan and our country. The simple truth is, Mr. Speaker, that the Bank of Canada has consistently responded to increases in sales and excise taxes on the part of the Conservative government in Ottawa since 1984.

Bank annual reports have made reference to indirect taxes as a key component of increased inflation rates, to which the Bank of Canada responds to in terms of increased rates on money that we borrow. And as all Saskatchewan people know, interest rates in this province are having a serious impact upon small-business people, farmers, people who are involved in consumer loan borrowing.

Mr. Speaker, I'm having a very difficult time speaking with all of the noise, and I'd ask you to call the members to order.

**The Speaker:** — The hon. member has indicated she's having a difficult time being heard. Order, order. Order, order. That goes for the member for Regina Centre as well. If you will just co-operate and allow the member to continue her remarks.

**Ms. Atkinson:** — Mr. Speaker, I just remind the members that if they want to visit with each other, they can step out the back door and have a . . .



**The Speaker:** — Order, order, order. Let's just carry on with the debate and not belabour the point. And I'll ask the hon. members once more to allow her to continue, and let's get on with the debate.

**Ms. Atkinson:** — Thank you very much.

Now as I was saying, Mr. Speaker, the Saskatchewan economy can ill afford to have any kind of increase in the interest rates. And we believe that the introduction of this new national sales tax will have serious impact on inflation. will have serious impact on inflation rates. And we think, in fact, that this increase will cause the Canadian economy, and has the potential to cause the Canadian economy, and particularly the Saskatchewan economy, to go into a recession.

This particular sales tax will have a serious impact on low and middle income Canadians, particularly people here in Saskatchewan, as I've said. Now the toll ultimately, Mr. Speaker, will mean that low and middle income families will not have the kind of money to spend on some very basic goods and services that are necessary in order to keep house and home together.

We believe and we understand from the National Council on Welfare, that the sales tax will take approximately 11.5 per cent of the incomes of Canadians earning under \$10,000; that this sales tax will take about 6.7 per cent of the income of families earning under \$40,000; and this sales tax will only take about 4.4 per cent of the income of families earning \$100,000. So as you can see from the National Council on Welfare, their statistics show that this sales tax will have a serious impact on lower and middle income Canadians, and it will have very little impact on Canadians earning large sums of money.

Now the government has said over here that they're pro-family, and that their job is to protect low income and middle income Canadians and people living here in Saskatchewan. We believe that if they really take their job seriously that they should vote on this motion so we can convey to the people of Canada, and to the people in Saskatchewan, that this Legislative Assembly is absolutely opposed to this national sales tax which will take money out of the pockets of low and middle income people living here in Saskatchewan.

So what I would like to do, Mr. Speaker, is give the members opposite an opportunity to vote on this motion because we think it's seriously and extremely important. I would like to give them the opportunity to support this motion. And I'm sure all members of the House will support this motion because of its devastating affect on small-business people, on working people, on farmers, and on people who have low or very little income.

So, Mr. Speaker, I will take my chair and ask all members of the Legislative Assembly to vote on this motion because, as you know, none of these motions ever get voted on. We usually talk out the clock. We have a few minutes left before five, and I would urge all members of this Assembly to vote on this motion so we can convey a message to the Prime Minister of Canada, and to the

Finance Minister, that this Legislative Assembly, on behalf of all people living in Saskatchewan, is opposed to this national sales tax of 9 per cent which comes into effect on January 1, 1991.

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

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. Unfortunately, Mr. Speaker, the members opposite — and I don't say this in any partisan way — the motion is somewhat premature, in my view, because we are expecting from the federal Department of Finance, perhaps even by the end of June from the indications that we've had, a detailed technical paper from the national government as to what, I believe, the specific implications of the national sales tax are.

And I've said before, Mr. Speaker, I and the government have serious reservations and concerns about the national sales tax, but we should put a couple of things in perspective as it applies to Saskatchewan businesses.

There are some beneficiaries in Saskatchewan businesses with the national sales tax. Our resource companies, for example, benefit by the reduction in the manufacturing sales tax that's now in place, and manufacturing businesses. Many processing businesses will benefit by the shift to a national sales tax. I think we have to, in fairness to an overall look at the provincial economy, get the details of the national sales tax so we can have a more definitive view as to what the pluses and minuses will be on the Saskatchewan economy. And from that perspective, I'm talking about how it affects different areas of the Saskatchewan economy, and I'm not talking about the consumers at this point.

**An Hon. Member:** — You haven't done that yet?

**Hon. Mr. Lane:** — Well we can't, because we don't have the specifics from the federal government. We can take all sorts . . . I've given you some indications that some could benefit. I've listed three areas now of Saskatchewan business sectors that could in fact benefit by the national sales tax.

The other side is the question of consumers. And many of the points raised by the opposition, and some of the impacts, may be quite valid. But what is not answered . . . and the hon. member who spoke in moving the motion and introducing the motion talked about, for example, housing. And it's interesting now that the housing industry are saying that they can live with the assurances that they have from the national government, because some sectors — and we have the example in New Zealand where the national government imposing a value added tax had expenditure offsets. And if, for example, the tax on a home is 2,000, or whatever figure you want to use, and the federal government has a grant program to new home buyers to offset that, the tax flows through — it may not have the impact.

It was well received in New Zealand when it was imposed, and I take a look, not at the Draconian message that you referred to in the legislature, but by more recent statements of the home builders, saying that they are prepared to look at the assurances given by the federal

Minister of Finance that the impact could be perhaps modest.

So there are a couple of areas where there will be expenditure offsets to minimize the impact . . . That includes things like tax credits. Whether the tax credits are adequate enough — there's debate on both sides of the issue whether tax credits are the correct way to go. Again, all I can indicate to the hon. members, in my view it would be preferable to get the technical package.

And I, with a caution, say that I'm hoping that the technical package is a very broad technical package that in fact will have how the expenditure offsets will affect various people, specific by category. And I move leave to adjourn debate . . . ask for leave to adjourn.

Debate adjourned.

The Assembly recessed until 7 p.m.