

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Hon. Mr. Klein:** — Thank you, Mr. Speaker, very much. Mr. Speaker, it's my pleasure this morning to introduce to you, and through you to members of the Assembly, representatives of the Saskatchewan district of the Canadian Polish Congress who are sitting in the Speaker's gallery this morning.

They are here this morning to recognize the 200th anniversary of the May 3, 1791 constitution of Poland which brought democratic parliamentary government to that country. As part of their celebrations, the period May 2 to May 11 has been declared Polish Cultural Days in Saskatchewan.

With us this morning in your gallery, Mr. Speaker — and I would ask each of them to rise as I call their name — is Stan Brzoza, the vice-president of the Saskatchewan branch of the Canadian Polish Congress; Joe Szala of the Polish Combatants Association; Henry Lebioda, the director of the Canadian Polish Congress; and Richard Grabowski, who is also with the Polish Congress.

Mr. Speaker, 50,000 residents of our province are of Polish ancestry, and members of my family are proud to be included in that number. I still vividly recall, Mr. Speaker, my youth and taking my Polish lessons from the late Monsignor Goski, who is a well-remembered stalwart of the Polish community.

I would ask all the members to give a very, very warm welcome to the representatives of the Polish Congress and to extend best wishes for a very successful Polish Cultural Days in Saskatchewan.

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

**Mr. Tchorzewski:** — Thank you, Mr. Speaker, for recognizing me. I would like to, on behalf of myself and the opposition, join with the member from Regina South in extending our greetings to the group that's in the gallery that represents the Polish community and the Polish Congress. We wish them well in their activities and I want to also say that the Polish people's contribution to this country has been a very major one in all fields.

The Polish community in Regina is a very active community and we want to share in the gratitude of all Canadians for this major contribution that has been made to this country and made this country the mosaic that it is. The best in your deliberations and may the cultural activities be the kind that Polish people always expect them to be. Thank you.

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

**Hon. Mr. Schmidt:** — Thank you, Mr. Speaker. I would like to introduce to you, Mr. Speaker, and to the members of the Assembly, Mr. Fernando Cousino, the Consul

General of Chile stationed in Vancouver. He's in your gallery today.

The country of Chile has recently opened a consulate in Vancouver. Mr. Cousino will be meeting with Her Honour Lieutenant Governor, with officials from Agriculture and Food, Energy and Mines, and he will be meeting with myself after question period today, Mr. Speaker.

Let me just say in summary that Chile has a democratic elected government, has freed up its trade laws and has one of the fastest growing economies in South America. We're very pleased to have their consulate here visiting us today and I'd ask all the members to welcome the Consul General of Chile, stationed in Vancouver.

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

**Mr. Lyons:** — Thank you very much, Mr. Speaker. On behalf of myself, Mr. Speaker, and the opposition caucus, I too would like to welcome the Chilean Consul General to this Assembly. Some members of this caucus have had the opportunity in the last several years to visit your country.

We want to certainly congratulate the people of Chile in their movement towards democracy to end the dark days of the military dictatorship which was imposed on that country in 1973. And we want to say that we're looking forward to be able to strengthen both cultural and economic ties with the country of Chile as we march forward into the 21st century.

Again on behalf of all members of the Assembly, bien venidos, camara de diputados, señor y señora, and ask all members to welcome the Consul General as well.

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

**Mr. Britton:** — Mr. Speaker, it's not too often I get visitors. We're on the far side of the province as you know. And today I have in the gallery three members from the Lakeview colony in my constituency. They're here to discuss agricultural problems as it relates to their colony. And I would ask you to help me welcome them to the Assembly.

I don't remember them being here before, and I hope that they'll make it a practice to come and watch what we do and hear what we do. And I wouldn't mind meeting with you later and answering any questions I can for you. Thank you very much.

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

**Mr. Kowalsky:** — Thank you very much, Mr. Speaker. It's very much a pleasure, Mr. Speaker, to introduce to you today and to this Assembly 39 grade 4 and 5 students from Prince Charles School. They're seated in your gallery, Mr. Speaker.

They have braved the four-hour trip from Prince Albert to come here to watch the Assembly as part of their studies about government. They are accompanied today by their

principal, Bob Markowsky; and teachers Connie Louge and Ray Griffin; and their chaperons, Irene Leask, Liala Herzog, and Gloria Sabo.

I'm looking forward, Mr. Speaker, to meeting with the students after question period for drinks and also for a photograph and to answer any questions they may have. I'd ask that the members welcome the students from Prince Charles School in Prince Albert.

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

**Hon. Mr. Martin:** — Mr. Speaker, it is my pleasure to introduce to you and through you to all members of the House, Jo-Anne Polak, the general manager of the Ottawa Rough Riders, seated in your gallery. She is with Lisa McIntosh of Big Sisters of Regina.

Mrs. Polak has the distinction of being the first female general manager in Canadian professional sports. And although I've been out of the game for a few years, you may very well be the first one in North American sports; I wouldn't be a bit surprised.

She's a major player, Mr. Speaker, in what she has been . . . what has been considered a man's world. But as father of four daughters, I have no doubt that she more than holds her own at the table. As a matter of fact, she's proven that on many occasions in the last year or so.

She's here to help raise the profile and raise some money for Big Sisters of Regina, Mr. Speaker. She is to be the guest speaker at the girls' lunch out today at noon. There are currently 75 young girls matched with Big Sisters in Regina and another 40 on the waiting list. This organization needs volunteers, and I hope Jo-Anne's luncheon is successful in getting that message out.

Earlier today, Mrs. Polak was presented with a Saskatchewan Roughrider sweater, and I'm a little surprised she didn't wear it in here today, Mr. Speaker, but she has her own Saskatchewan Roughrider sweater. However, her Ottawa Rough Riders finished the season very well last year, and I suspect may be a strong force in the season this year.

Wish you the best of luck. Thank you very much for being with us today.

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

**Hon. Mr. Martens:** — Thank you, Mr. Speaker. I want to introduce to you and to the Assembly today a group of 21 students, grade 8 students from the town of Wymark, Saskatchewan. They are seated in your gallery, in the west gallery, I'm sorry. And the principal there is Mr. J. Knelsen. The chaperons today are Helen Schlamp and Sarah Reimer; Bill Heinrichs is the bus driver. I want to welcome them. I will be meeting you afterwards for pictures and discussion about what you hear in the Assembly today. I want all members of the Assembly to please welcome my guests.

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

**Mr. Goulet:** — Mr. Speaker, I would like to introduce Mr.

Peter Gilmer from the Saskatchewan Coalition Against Racism, who's sitting in the east gallery.

Mr. Speaker, I think it's very important for all Saskatchewan people to recognize that we have to respect each other, no matter what nationality and what background. I think the work that the Saskatchewan Coalition Against Racism is doing to fight against the scores of disrespect is something that's very important in the development of this province, so I would like to recognize Mr. Peter Gilmer.

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

## ORAL QUESTIONS

### Effects of PST on Business

**Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, as you know, in recent question periods the opposition has been endeavouring to get the Premier to explain the economic impact of the proposed provincial 7 per cent PST (provincial sales tax) or the provincial GST (goods and services tax), its economic impact on business and consumer spending and taxes and so forth.

Mr. Speaker, I have here before me today a resolution, notice of a resolution to be presented to the next annual meeting of the Saskatchewan Professional Photographers Association which, by the way, is a series of resolutions similar to restaurant people, booksellers, and the like.

This resolution says in part, Mr. Speaker, quote:

The executive . . . (is) to appoint a committee to examine and report upon the feasibility of moving our annual Spring Seminar to either North Dakota or Montana, in light of the exorbitant costs of accommodation, food and other convention . . . (practices) in Saskatchewan since the imposition of the G.S.T. and the P.S.T.

**An Hon. Member:** — Nonsense.

**Mr. Romanow:** — Now that's the quotation. I heard a front-bencher say, nonsense. My question therefore to the Premier is this: doesn't this resolution highlight the fundamental, basic contradiction of your government's tax and economic policies?

On the one hand you claim you want to help the tourist trade. On the other hand, as this resolution indicates, your 7 per cent PST is killing the tourist trade.

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

**Hon. Mr. Devine:** — Mr. Speaker, if the opposition is really concerned and interested in the business community, I would be more than pleased to respond in some detail with respect to the harmonization and the benefits that it provides to the business community.

And I would say to the Leader of the Opposition, if he takes the Regina *Leader-Post* headline, and what I'm about to give him in just a sentence or two, Mr. Speaker, it says: "Saskatchewan business gets input tax bonanza."

And I will quote from the Federated Co-op, Mr. Speaker, because they say in here, and I quote:

Like Ipsco, Federated Co-operatives Ltd. (FCL) in Saskatoon . . . “obviously there will be some kind of benefit.”

For Federated, the central wholesaling, manufacturing and administrative arm for more than 300 retail co-ops in Western Canada, that benefit would also be in millions of dollars (Mr. Speaker).

Then they talk about \$260 million benefit because all of the sales tax in the province of Saskatchewan will be rebated to business, Mr. Speaker. Everything that they are charged today or they're charged in Ontario or they're charged other places, in the province of Saskatchewan, Mr. Speaker, they get it all back — \$260 million that they will get rebated.

And the NDP (New Democratic Party) leader stands in his place and says, would in fact it be good for business. It's recommended by the Saskatchewan Wheat Pool; it's recommended by the chamber of commerce; it's recommended by the chartered accountants' association, the consumers' association. Anybody who has looked at the advantages of harmonization have said, you give me that sales tax benefit, write it off, give it back to me, Mr. Speaker, and I'll take harmonization every time over the way that they did it in Ontario under the NDP, Mr. Speaker.

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

**Mr. Romanow:** — Well, Mr. Speaker, at long, long last the Premier has finally found the courage to defend his onerous tax. At long last.

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

**Mr. Romanow:** — It was unnoticed by the journalists in this legislature, but not the people of the province of Saskatchewan, that the Premier ducked under his chair for the last week and a half, and I'm glad he's now defending it.

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

**Mr. Romanow:** — Mr. Speaker, my question to the Premier is this. Mr. Speaker, my question to the Premier is: he says that there are benefits, as he cites by that report, but he does not mention what the costs are, and our questions are related to the costs of this tax, as the ordinary people in Maidstone, in Minton, in Val Marie, in the Premier's own riding of Estevan claim that there are costs.

My question, Mr. Speaker, of the Premier is this: you say that there are benefits; I want you to table your government's cost-benefit analysis which proves that this tax is not a hardship on the small-business people of the province of Saskatchewan. Table that study.

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

**Hon. Mr. Devine:** — Mr. Speaker, I think it's interesting to note that the Minister of Finance has put together the benefits, Mr. Speaker, linked to reducing the sales tax to zero for businesses. Now the hon. member says that he doesn't understand how that works. Well, Mr. Speaker, he can get access to this book because I've had meetings with five, six hundred business people at a time and have gone through it.

Mr. Speaker, under the NDP suggestion, which is in effect in Ontario, versus ours, which is harmonization . . . just let me give him an example. If you run a restaurant, Mr. Speaker, the benefits of harmonization means that you save \$700 a year on industrial ovens; \$1,400 a year on a fridge and a cooler; \$700 on chairs and tables; \$350 on plates and utensils; up to 210 on utilities. Mr. Speaker, you can save \$1,300 per business in the province of Saskatchewan if there are no sales tax on inputs — \$260 million a year — which is documented by the Finance department, which has been copied by the Liberals in Quebec, which is harmonized by the Liberals in P.E.I., Mr. Speaker. And the only reason, the only reason that the NDP did not harmonize Ontario, Mr. Speaker, is because they thought it would be an embarrassment to the NDP in Saskatchewan in an election year, Mr. Speaker. That's the only reason because business benefits from no sales tax at all.

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

**Hon. Mr. Devine:** — That's a fact and that's the truth, and it's well-documented, Mr. Speaker.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question . . .

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

**Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, if you listen carefully to what the Premier said by way of answer and the arguments which he gives and defends the provincial PST, these arguments, Mr. Speaker, are exactly the same arguments that the Brian Mulroney-Michael Wilson combination in Ottawa advanced in support of the federal GST. And, Mr. Speaker, the results of those arguments as we know are the greatest recession that this country's had in a very long time, with businesses closing up and jobs being lost and going to the southern part of the United States and elsewhere.

The same arguments — and now the Premier of the province of Saskatchewan advances the same arguments for the provincial PST. I say to the Premier, table your studies which show the economic impact isn't destroying Main Street, Saskatchewan. What's the cost-benefit analysis?

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

**Hon. Mr. Devine:** — Mr. Speaker, isn't it interesting. The Leader of the Opposition has been standing in this House now for 10 minutes and he has yet to say, Mr. Speaker, as the *Leader-Post* quoted today, he has yet to say, Mr. Speaker, what his position is on the PST.

Mr. Speaker, let me just make it very clear . . .

**The Speaker:** — Order, order, order. Order! Order. Will the hon. members allow the Premier to speak?

**Hon. Mr. Devine:** — Thank you, Mr. Speaker, I just say with great respect to the Leader of the Opposition, he's quoted today in the paper of saying, he hasn't made up his mind with respect to the PST. He hid from reporters. Mr. Speaker, it says when he . . .

**The Speaker:** — Order, order, order. I'm sorry to interrupt you, sir. However there are unfortunately a good number of members interrupting you, and I believe you should be given the chance to respond. Several members.

**Hon. Mr. Devine:** — If the hon. member thinks that this is a very important issue, and I assume that he does, then I just ask him in front of all the people in the province of Saskatchewan, indeed the entire country: come clean. You can run but you can't hide.

What is your position? He's hid when he was asked what he was going to do with respect to the PST. When Ontario brought down a deficit, Mr. Speaker, they couldn't be found. They were hiding.

And they hid a deficit in 1982, Mr. Speaker, and he's hiding today. It's not honest. He's not being deliberate. He's not laying out to the people of Saskatchewan. Even the reporters who he normally runs to find out what's going on, he can't be found, Mr. Speaker.

Would he stand in his place today, stand in his place today and tell the people what his plan is, Mr. Speaker.

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

**Mr. Romanow:** — Mr. Speaker, after two weeks of . . .

**The Speaker:** — Order, order, order. Order, order. I'm going to ask hon. members to pay the same courtesy and allow the Leader of the Opposition to put his question. Order, order, order.

**Mr. Romanow:** — Thank you very much, Mr. Speaker. I have to smile because after two weeks of cowering under his desk and refusing to answer my questions, he's the last person to be telling people about running and hiding. He's been hiding for the last two weeks.

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

**Mr. Romanow:** — Hiding for the last two weeks. All of them. Finally he's out there speaking.

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

**Mr. Romanow:** — And after refusing to call an election for five years, he talks about running and hiding. It's about time to call an election.

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

**Mr. Romanow:** — Oh, oh, oh, Mr. Speaker, this tough,

tough fighter over there just scares the pants off us. He just scares the pants off us.

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

**Mr. Romanow:** — Now, Mr. Speaker, I have a question. Mr. Speaker, I have a question to this very tough fighter. Mr. Speaker, I have a question to the Premier. Now I know that he will not answer it, but my question . . .

**The Speaker:** — Order, order, order. Order, order, order. The member from Meadow Lake, could we have your attention, and the member for Assiniboia-Gravelbourg, could we have your attention. And I'd like to ask the Hon. Leader of the Opposition to put his question.

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

**Mr. Romanow:** — Mr. Speaker, I have here a motion passed by the Village of Minton, Saskatchewan, on the GST. And it says this:

. . . it is believed that Saskatchewan businesses located adjacent to a provincial or an international border are going to have a greater . . . (job in keeping competitive in the light of the provincial PST).

My question, Mr. Speaker, to the Premier is this: is this not another contradiction? On the one hand you say you want to make Saskatchewan businesses more competitive, and that that's what this tax is going to do. On the other hand communities like Minton and Maidstone and Estevan and hundreds of others say it's making them less competitive.

My question is: don't tell us about the tax credits, tell us about what the impact on the economy is going to be as a result of this tax, and table your studies.

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

**Hon. Mr. Devine:** — Mr. Speaker, the hon. . . .

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

**Hon. Mr. Devine:** — Mr. Speaker, the Leader of the Opposition says that he has scared the pants off us. Well, Mr. Speaker, the emperor has no clothes. When we look at that individual, there's no plan. You can't see it.

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

**Hon. Mr. Devine:** — Mr. Speaker, I will say to the Leader of the Opposition, in his own release of October 3, Mr. Speaker, in his own release of October 3 he says, and I quote: “. . . the fairest and most sensible way to proceed would be to harmonize the two sales taxes . . .”

Mr. Speaker, that's his position then. And then he flip-flopped, Mr. Speaker, then he goes on to say: “. . . a side-by-side tax is preferable to a tax on a tax . . .” And that was on October 3, 1990.

Mr. Speaker, now he stands up after, Mr. Speaker, after sitting here in the legislature for the last 15 minutes and

for the last . . .

**The Speaker:** — Order, order. How about the member for Regina North West not interrupting. How about that?

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

**Hon. Mr. Devine:** — Thank you, Mr. Speaker. We raise in this legislature, Mr. Speaker, the fact that there's a \$10 billion NDP deficit in Ontario that has an impact on all of us across the province, will raise interest rates. And the Leader of the Opposition stands up and he says the Ontario budget has nothing to do with him. They only happen to be NDP in Ontario.

Well, Mr. Speaker, I would just ask the hon. member, if he stands up in October and says we should harmonize, then his individuals when they're . . .

**The Speaker:** — Order, order. I'm sorry to interrupt you, sir, but the hon. members here are continuously interrupting you. I'm having difficulty hearing you and you have to be speaking louder and louder and I don't know if our guests hear anything. So I'm going to ask once more for the co-operation of members to allow those on their feet to be heard.

**Hon. Mr. Devine:** — Well, Mr. Speaker, I know the opposition doesn't want to hear the truth, and I thank you for calming them down.

Just let me say, Mr. Speaker, that what we're trying to get out of the Leader of the Opposition, the NDP, is what is their position with respect to the harmonization.

The Leader of the Opposition hid yesterday, Mr. Speaker, and the media couldn't find him. He ran away from the reporters because he wouldn't tell them what he'd do.

When they brought in the Ontario NDP budget, Mr. Speaker, they hid and they wouldn't comment on it. They hid a deficit in 1982, Mr. Speaker. And when I asked him today what's his position today . . . Mr. Speaker, you have to settle him down because they chirp from their seats because they don't have a position today. And the people of Saskatchewan deserve more from an opposition, Mr. Speaker.

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

#### Effects of Free Trade on Agriculture

**Mr. Upshall:** — Thank you, Mr. Speaker. Well we finally got the gopher away from his hole and now he's running . . .

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

**The Speaker:** — Order. Now I don't like interrupting question period, but I'm just going to keep doing it this morning because each time a member gets to their feet they are constantly being interrupted, constantly. And I think it's just wrong to be constantly interrupting the member on their feet.

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, my

question is to the Minister of Agriculture. Mr. Minister, you ran around the country a while back selling the U.S.-Canada Free Trade Agreement for Brian Mulroney. As we now are seeing the disastrous results directly affecting Saskatchewan farmers. Mr. Minister, the Prairie Pools are calling for the borders to be closed because of unfair U.S. trading practices.

My question, Mr. Minister, is this: will you work with the Prairie Pools and other farm groups to correct this unfair U.S. trading practice?

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

**Hon. Mr. Devine:** — It's interesting, Mr. Speaker, to listen to the NDP ask about agriculture as if they're really concerned about it. And I notice, Mr. Speaker, now that Allan Blakeney is an advisor to the new NDP administration in Ontario . . . when you look at this budget, Mr. Speaker, that came forward in Ontario, there was hardly a mention of agriculture — hardly a mention of agriculture. Whether it was because of the free trade concerns, whether it's because of the commodity wars and all the problems that people experience in agriculture in Ontario, the new NDP administration in Ontario didn't mention farming, Mr. Speaker.

Not a penny more, no changes, Mr. Speaker. Now the NDP stand up and say, well what are you going to do here?

Well, Mr. Speaker, what we saw in Ontario was a 40 per cent increase in welfare payments. It almost dwarfs the education budget, Mr. Speaker, and not a dime more for agriculture. That speaks volumes about the NDP, Mr. Speaker, and what they know about agriculture.

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

**Mr. Upshall:** — Mr. Minister, it would appear the minister doesn't understand the question because he certainly did not respond to it. I'll ask you, Mr. Minister, let me explain this to you. The U.S. are violating section 701(4) of the trade agreement — 701(4) being violated by the U.S. And what's happening? Canadian prices are going down because they're going into our traditional markets.

The drought and the subsidies, because of your trade deal, make the border harmonization equal and U.S. subsidized grain can come into Canada. That's quite clear, Mr. Minister. My question to you is this: will you now . . .

**The Speaker:** — Order. I'm sorry to interrupt you, but once more. And I'm going to keep doing this because I don't think it's fair. Allow the member to put his question.

**Mr. Upshall:** — Mr. Minister, in the light of this, will you now admit that your U.S.-Canada free trade deal, in that deal you got taken to the cleaners by the U.S.? And what are you going to do to work with the farm groups to correct this action?

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

**Hon. Mr. Devine:** — My goodness, Mr. Speaker, I

couldn't have asked for a better question. And if you'd just allow me, Mr. Speaker, to give you some of the statistics, Mr. Speaker, I'll give them an answer that they can take home any place they like in the province.

First let me just say this, Mr. Speaker, if you'll just bear with me. And I quote and this is from the Swift Current *Sun*. Garf Stevenson said it is doubtful that the situation will immediately affect farmers in the province, and I quote, he says:

"I don't believe it's much of a threat at the moment," said Mr. Stevenson, who explained that the prospect of U.S. farmers hauling grain in Canada is unlikely . . .

That's the first thing. Now secondly, Mr. Speaker, our exports into the United States in agriculture in the last year, 1989 to '90, was up 18 per cent, Mr. Speaker, up 18 per cent. That's live cattle, swine and pork, wheat, barley, oats, canola seed, and canola oil. If you add those up, 1989 to 1990, the exports are up 18 per cent from 189 million to 223 million, Mr. Speaker. And that member wants to close the border. Can you believe it?

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

**Hon. Mr. Devine:** — Mr. Speaker, with great respect, I don't think he understands the situation.

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

**Mr. Upshall:** — New question, Mr. Speaker. Mr. Minister, if you're that short-sighted, well I think that's the result of the deal that you put forward. You were short-sighted in the first place. And now, Mr. Minister, you're standing four-square behind the Mexico trade deal.

Mr. Minister, earlier this week Carla Hills said that if Canada wanted to be involved in the North American trading deal, they're going to have to reopen the U.S. deal and Canada is going to have to give up some more to the U.S. That's what she said.

Mr. Minister, my question is this: since our farmers and taxpayers have been hurt by this first deal, are you now going to stand in your place and continue to support the demise of agriculture and the taxpayers of this province to support your friends in Ottawa and United States?

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

**Hon. Mr. Devine:** — Mr. Speaker, it's the same thing we see with respect to the PST. They have no position. Let me just point out, Mr. Speaker, the NDP are against trading with Americans because they're too big and they're too rich. The NDP are against trading with Mexico or Chile because they're too small and they're too poor.

Mr. Speaker, they don't want to trade with anybody. Now they don't even want to defend trading with Ontario because they know the NDP in Ontario is going to wreck the economy. They'll be too poor in Ontario to trade with us, given your philosophy, Mr. Speaker.

Let me say, Mr. Speaker, that bunch over there, if they'd

only take a position for five minutes and stay with it, Mr. Speaker, the whole world would be better off. Certainly we would be here in Saskatchewan.

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

### Funding for Transition Houses

**Ms. Simard:** — Thank you, Mr. Speaker. My question is to . . .

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

**Ms. Simard:** — Mr. Speaker, my question is for the minister responsible for the Women's Secretariat. Mr. Minister, this week is a week designated for increased awareness of the problem facing abused women. One of the problems facing women in this terrifying situation is that there's a lack of facility and support from your government.

Mr. Minister, why did your government freeze funding for transition houses this year, effectively leaving them in a position of being grossly underfunded and unable to provide the extent of services that are necessary in this province?

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

**Hon. Mr. Meiklejohn:** — Well, Mr. Speaker, I would point out to the member opposite that we are certainly very concerned about the problem that the member raises. We have increased the number of homes for battered women in the province. We understand that there is a growing need in some of these areas today that we have to continue to look at, and we will work with the Department of Social Services. We'll also work with the Department of the Family to address this problem.

Mr. Speaker, we also want to ensure that we are involved with the groups that are most affected and we want to address this problem. But this year, because of the economic situation, we realize that in some cases the moneys that are needed cannot be forthcoming, but we will maintain the quality that we have. We have, as I said, increased the number of homes and we have to continue to address this very important problem.

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

**Ms. Simard:** — Mr. Minister, in 1989-90 there were some 727 women fleeing violent situations. They were turned away from overcrowded transition homes, they and their children, and this year with an actual decline in the funding, the situation is going to get even worse.

Your colleague, the Minister of Social Services, however, told a CBC (Canadian Broadcasting Corporation) radio interview that this underfunding was not necessarily a bad thing because it would give transition houses the incentive to become fund raisers. Instead of being care givers for battered women, these overworked employees will have to start raising funds for transition houses.

Now, Mr. Minister, why doesn't your government tell the Cargills and the Weyerhaeusers and the Pocklington to

go out and privately fund raise instead of doling out charity to them and use some of that tax money to provide transition houses for women and children fleeing violent situations.

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

**Hon. Mr. Meiklejohn:** — Well, Mr. Speaker, I would judge from what the member opposite has just said that the NDP is opposed to diversification in this province. And in fact, as I've indicated, we are not able to do more because of a shortage of funds in the province at the present time. If we are not to have diversification, if we are not to have paper plants and fertilizer plants and some of the other industry in this province that is so badly needed, where in Heaven's name are we going to get the money to provide more services for the people that this member is so concerned about?

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

**The Speaker:** — Okay, okay. Order! Monday, we'll have another question period. Order, order, please. Order. Order, order.

Excuse me, if you wouldn't mind, could I have leave to introduce some guests before you get on to that business.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Tusa:** — Thank you. I would like to introduce to the House and to all members . . . And perhaps we can discuss the polls later. And right now I'd like to take this opportunity to introduce some guests from my riding, and they're from the Kawacatoose Education Complex on the Kawacatoose Indian Reserve. Many of you might be more familiar with the former name; it used to be called Poorman's, but it is now Kawacatoose. I'm sure many have been there.

There are 15 students here, in grade 3 and 4. They are accompanied by teacher Gerildine Worm and Sylvia Nagy — the former Sylvia McNab. Many of you I'm sure knew Sylvia from years gone by when she was an employee in guide services.

These students are here. I trust they enjoyed question period. I will be meeting with them soon. Please welcome them to the Assembly.

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

#### MOTION UNDER RULE 39

##### Effects of Free Trade on Agriculture

**Mr. Upshall:** — Thank you, Mr. Speaker. As I was saying, Mr. Speaker, before orders of the day, pursuant to rule 39, I would like leave of the House to introduce an emergency motion. And it reads like this:

That this Assembly regrets that the Canada-U.S. Free Trade Agreement is being violated by the United States and continues to threaten

Saskatchewan agriculture. And further that this Assembly urges that the Government of Canada not allow the importation of American wheat into Canada.

I would move that.

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

Leave not granted.

#### ORDERS OF THE DAY

#### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

##### Motions for Interim Supply (continued)

**Mr. Romanow:** — Thank you very much, Mr. Chairman. I want to begin this morning's questioning, the few moments that I have of questioning, to ask the minister if he will tell us why it was, if he knows, that the Ottawa government came through with what can only be described as a rather pitiful amount by way of the so-called third line of defence. The Saskatchewan Wheat Pool wanted \$550 million for Saskatchewan farmers only as a kind of cash on the dash, no strings attached arrangement. I think the minister will agree with me that things are pretty tough out there on the farm. The unavailability of cash to . . .

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

**Mr. Chairman:** — I recognize the Minister of Finance on a point of order.

**Hon. Mr. Hepworth:** — Mr. Chairman, I know we've always . . . the practice in this committee is to allow a fair amount of latitude when it comes to dealing with interim supply. And I, myself, I think in the three sessions now that we've been at interim supply have been prepared to ask questions that maybe don't particularly relate to interim supply, future year forecasts and past year lottery estimates. But relative to an issue here and the federal government and how much they have put up as part of the third line of defence, Mr. Chairman, I don't think is part of this Bill, Mr. Chairman.

(1045)

**An Hon. Member:** — Mr. Chairman, may I speak to the point of order.

**Mr. Romanow:** — Thank you, Mr. Chairman. Mr. Chairman, we're considering the expenditure of Saskatchewan taxpayers' dollars for a two-month period in advance. Part of the Saskatchewan taxpayers' dollars, as we very well know, are presumably going to be allocated, if everything goes through the way the government would want, to the funding of GRIP (gross revenue insurance plan) and NISA (net income stabilization account). Part of the third line of defence, which was announced two weeks ago at \$170 million, was directly attached to GRIP and NISA.

I wish to ask questions about the Saskatchewan involvement and relationships and the adequacy of that payment in the light of the fact that it's tied to the GRIP and NISA Bill and we're funding for it in part.

**Mr. Chairman:** — Order, order, order! I find that the point of order is well taken. Order, order, order. Order! The member for Regina North East and the member for Moose Jaw North, I'd ask them to allow the Chair to make his ruling . . . and the member for Regina Elphinstone.

The purpose of interim supply is to grant money for the operation of government departments and programs on an interim basis while reserving to the Legislative Assembly the right to complete a detailed review of estimates at a later time. For this reason, members must reserve their detailed questions on estimates and government financial policy for the regular review of the main estimates.

**Mr. Romanow:** — Mr. Chairman, I'm going to accept your ruling, obviously, because I respect the Chair. But may I say parenthetically, does that mean accordingly that it is impossible for the opposition to ask, for example, a question of the Minister of Finance that there's no payment to the farmers pursuant to the federal-provincial funding arrangements on GRIP and NISA until July at least, when farmers in the province of Saskatchewan need funding now for spring seeding? Am I ruled out of that order, which is where I was heading before the Minister of Finance jumped in to try to cut me off?

**An Hon. Member:** — What's your question?

**Mr. Romanow:** — Well let me put the preface. Let me put the preface. Don't hide. Let me put the preface here.

**Mr. Chairman:** — Order, order!. The questions have been very detailed in taking three days on interim supply, which is very unusual. Order! And the detailed questions should be held . . . Order! The member for Regina North East, order. The detailed . . . order. The member for Moose Jaw North, if he continues to interrupt, I will ask him to get up and apologize or else I'll have to take stronger moves.

The detailed questions on estimates should be held over for the — Order! — for the main estimates, and the Chair has so ruled.

**Mr. Romanow:** — Mr. Chairman, I will honour your ruling. I'm somewhat stymied as to how to proceed in the light of this ruling to the next area because I always was of the assumption, sir, that interim supply was based on the fundamental principle of grievance before supply. I'm trying to voice grievances which I've been hearing around the province of Saskatchewan, as late as last night from the farmers of the province of Saskatchewan in the Norquay area. Four hundred people jam-packed a meeting there, and they asked me to ask some questions of this Minister of Finance about the provincial government's involvements in GRIP and NISA and implications.

**An Hon. Member:** — And there's a place for it.

**Mr. Romanow:** — No, the place is when . . .

**An Hon. Member:** — Agriculture estimates.

**Mr. Romanow:** — No. The member from Rosthern says there's a place and I say the place is right now. When you want the money I want the right . . . where you're spending that money.

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

**Mr. Romanow:** — I'm elected to ask those questions on behalf of the farmers in Norquay and my place is right now — grievance before supply. And the farmers have a grievance and I want to have some answers from this Minister of Finance right now.

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

**Mr. Romanow:** — And those people over there . . .

**Mr. Chairman:** — Order, order. The member for Regina Elphinstone, if he'd allow the Leader of the Opposition to put his question.

**An Hon. Member:** — You won't let him put his questions.

**Mr. Chairman:** — Is the member for Regina Elphinstone challenging the Chair? Allow the Leader of the Opposition to put his question.

**Mr. Romanow:** — Mr. Chairman, my questions are headed to the area of the provincial government's request for funds which we are debating. In the one specific area with respect to agriculture and in the one specific area although it's wider than this, but to be as specific as I can — mindful of your ruling, sir — the area of GRIP and NISA, provincial funding for GRIP and NISA, the provincial government's pushes over the last several months for third line of defence funding from Ottawa . . . and the net result being from Ottawa that the funding comes only if it is connected to GRIP and NISA, of which we are partly funding.

My question to the Minister of Finance is: in the light of those factual circumstances, does the Minister of Finance anticipate that in the next little while the Ottawa government will be coming forth with badly needed cash in excess and in a different form than the \$170 million which they've made to the farmers of the province of Saskatchewan to date?

If so, what is the Minister of Finance's intelligence as to the amount of money coming from Ottawa? When is it going to be coming because, for goodness sakes, everybody knows here the farmers need it not only today, they needed it a month ago. What are the plans, what's his information, and how does it affect GRIP and NISA? That's my question.

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

**Hon. Mr. Hepworth:** — Mr. Chairman, this Bill provides and asks the legislature to approve two-twelfths . . .

**Mr. Chairman:** — Order. Is the member from Moose Jaw North challenging the Chair? I'd ask him to get up and



apologize. Rise and apologize to the Chair.

**An Hon. Member:** — For what? For what?

**Mr. Chairman:** — He's challenging the Chair from his seat.

**An Hon. Member:** — He was not. He's not challenging the Chair. That's ridiculous.

**Mr. Chairman:** — He's challenging the Chair from his seat. Order.

**Mr. Romanow:** — Mr. Chairman, my point of order is this. When a member on this side challenges you, sir, as the Chair, or any Chair, he or she will stand in his or her place and challenge you, sir. It is not the custom of the legislature for the Chair to hear asides, of which I did not hear any and I sit on this side.

And with the greatest of respect to you, sir, there has not been any challenge to you, and our members have not challenged. And therefore there is nothing for the member to withdraw.

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

**Mr. Chairman:** — Point of order is not well taken. The member from Moose Jaw North is showing disrespect to the Chair, and he can be asked to rise and apologize for any comments made from his seat towards the Chair.

**Mr. Romanow:** — Thank you, Mr. Chairman. On a point of authority, I would ask you, sir, to enlighten myself and the members on this side on what authority, Beauchesne's and otherwise, or precedent that this has taken place. I want to know that, sir.

**Mr. Chairman:** — Order, order. I'd ask the member for Cut Knife-Lloydminster to keep some decorum.

Order, order. Rule 18, page 13 of *Rules and Procedures of the Legislative Assembly of Saskatchewan*:

The Speaker shall preserve order and decorum and shall decide questions of order.

Order. It's rule 18, page 13 of *Rules and Procedures of the Legislative Assembly of Saskatchewan*:

The Speaker shall preserve order and decorum and shall decide questions of order.

**Mr. Romanow:** — Point of order, Mr. Chairman. I very much appreciate this, but if I might, if I could just read the rule and to interpret it as you tell me to interpret it.

The rule says:

The Speaker shall preserve order and decorum and shall decide questions of order.

What happened here was, you said, if I may say so with the greatest of respect, that my colleague, the member from Moose Jaw, was challenging the Chair. I'm saying, on what basis do you know that?

Bringing order and decorum may be one thing; challenging the Chair is another thing. You can call the member from Moose Jaw to order. Fair enough. I wish you'd do the same thing with your colleagues in the other side as well, as I know that you do. But that's a different issue.

**Mr. Chairman:** — The member from Moose Jaw North was showing disrespect for the Chair and I brought him to order on those rules. That's it. It's finished, and the Chair has ruled. Order.

**Mr. Romanow:** — I have a point of order, Mr. Chairman.

**Mr. Chairman:** — State your point of order.

**Mr. Romanow:** — My point of order, Mr. Chairman, is, I want to know what your ruling is. I have not understood and, to be frank with you, fully heard your ruling. I want to know what your ruling is.

And may I just phrase it to ask, not in a confrontational way: is your ruling that you are restoring order within the Chamber, in which case quite fully I support you in that regard and I know that we've all been cantankerous and we've made your job difficult. If that's the ruling, we fully accept and will fully try to comply. I have no quarrels with that.

If, on the other hand, your ruling is that the member from Moose Jaw North has challenged the Chair and must therefore withdraw, that is the point that we are contesting. And if you are dropping that latter contention, then there is no problem. And I'm asking simply, sir, which is it of those two?

**Hon. Mr. Neudorf:** — Thank you, Mr. Chairman. If I could just respond to the point of order. I think it was very clear to everyone in this Assembly why you brought the member from Moose Jaw North to order and interpreted his statement as being challenging the Chair.

And his statement was quite unequivocally, have you been in the caucus today, implying, from my interpretation, that you were being prejudiced in your ruling as a party member. And therefore that can be interpreted in no other way as you being prejudiced in your ruling and therefore he was challenging your authority and your motivation in making the rule.

And I would suggest to you that that is an extremely, very extremely important accusation for a member of this House to bring into question the integrity of the presiding officer. And I suggest to you, sir, that you are absolutely correct in calling him not only to order but asking him, are you, sir, challenging the Chair, which in my humble estimation is exactly what he was doing.

**Mr. Chairman:** — The concern of the Chair is that there is order in the legislature and I think we've dealt with this now. The question before the committee is interim supply number one.

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

**Mr. Romanow:** — Thank you very much, Mr. Chairman, and again I appreciate your very difficult job, sir. And I know sometimes it may seem to you that we do not co-operate with you, but I intend to tell you that our side does want to co-operate with you and the Clerk and the staff. We have our views. It's a pre-election period. I'm sure you understand the circumstances under which these are raised, and I fully understand their interventions. So thank you very much for clarifying that for us.

Now, Mr. Chairman, if I might, I want to pursue just for a moment or two the question of the third line of defence and what the Minister of Finance, his views are. I'd like to ask the Minister of Finance whether or not he was personally involved in the negotiations leading up to the announcement a few weeks ago of the third line of defence. Was he representing the Government of Saskatchewan in those negotiations?

**Hon. Mr. Hepworth:** — The Bill that these motions are predicated on ask the committee on an interim basis to advance two-twelfths for the NISA appropriation as well as the GRIP appropriation, Mr. Chairman.

(1100)

**Mr. Romanow:** — Well, Mr. Chairman, you see, if I may say so, the Minister of Finance is attempting by straight technical statement, I say with the greatest respect, avoid the larger policy answers which farmers are asking. And frankly he may be technically right, and I guess I've got to phrase the question more directly that way. But I tell you it betrays the fact that this government has no confidence on the larger policy issues and what he knows the farmers are concerned about out there.

So does this mean, in this narrow two months that you're trying to restrict me to, that there's no payment to the farmers of Saskatchewan with respect to this announcement unless they join up on NISA and GRIP. Is that what it amounts to? There's no money coming.

**Hon. Mr. Hepworth:** — Mr. Chairman, not that I'm aware of.

**Mr. Romanow:** — Mr. Chairman, was the minister's answer that I don't know? I didn't hear.

**Hon. Mr. Hepworth:** — Mr. Chairman, not that I'm aware of.

**Mr. Romanow:** — Now, Mr. Chairman, we are in the next two months period appropriation and would the minister agree with me that the farmers are in an immediate cash flow crisis. The minister just said that there is no money with respect to the GRIP and NISA related third line of defence so-called, which is really a second line of defence. And clearly to state the obvious, but I'll ask the question, is there any money allocated provincially for the farmers of the province of Saskatchewan in this spring seeding period?

**Hon. Mr. Hepworth:** — Well the appropriation that these motions speak to on an interim basis, Mr. Chairman, will provide two-twelfths for the province's contribution

towards GRIP and NISA, and that's what we're asking the committee to approve on an interim basis.

**Mr. Romanow:** — Mr. Chairman, I take it from that the answer is so there's no source of money, so-called cash on the dash that's coming from that point of view and that we're talking only about funding for GRIP and NISA for the two-months period as has been negotiated by GRIP and NISA.

Will the minister advise in this next two-month period, is he or the Minister of Agriculture or the Associate Minister of Agriculture involved in any ongoing negotiations with respect to the federal government to improve GRIP and NISA for this next two-month period, to take into account some of the concerns of the farming community.

Are these discussions taking place? Who's involved in them? Are you involved in them, sir? Are officials? If so, what officials, what's the timetable, and what are the issues which are being put on the table with respect to the perceived and real inadequacies of the program?

**Hon. Mr. Hepworth:** — Mr. Chairman, members of the committee, there may well be discussions, but I can't speak for other ministers or associate ministers. And I would recommend that the hon. member put those questions, those detailed kinds of questions to the appropriate ministers in the more detailed examination under their estimates.

**Mr. Romanow:** — Mr. Chairman, with respect to GRIP and NISA and the funding that we're seeking for the next two months, will the minister confirm that the net cost, roughly speaking, in per capita terms, to the taxpayers of Saskatchewan — the Bill that we're talking about here — as to our portion on GRIP and NISA is \$164 per capita. I don't know how the two-twelfths of that breaks down, plus . . . well not plus — as contrasted with Ontario where the per capita cost there is approximately \$30 and the per capita cost for GRIP and NISA in Quebec is at \$18. Would the minister confirm those numbers? Am I wrong in those calculations of taxpayers' costs on those programs?

**Hon. Mr. Hepworth:** — The appropriations in total for payments to the . . . pursuant to the gross revenue insurance plan and payments pursuant to the net income stabilization account total 106.8 million plus \$18 million. We want the committee to, on an interim basis, advance two-twelfths of that amount. To determine the per capita number then, I would just recommend to the hon. member that you would divide that number by the population of Saskatchewan. You would end up with the per capita contribution on behalf of the taxpayers.

**Mr. Romanow:** — Mr. Chairman, on a rough calculation I think it amounts — I don't have my computer here — but about \$164 per capita. The minister shakes his head. I invite him to correct me; I am seeking answers here. I mean, so provide me the answers.

And it's not so much the Saskatchewan per capita cost that I'm concerned about. I am concerned about the per capita costs in Saskatchewan, but I'm also wanting to compare what the per capita cost in Saskatchewan is to the per capita cost for the same program in Ontario and in

Quebec. And the Minister of Finance is the only person who has those numbers. I want to know what kind of a deal has been negotiated here by this Minister of Finance and this Minister of Agriculture based on those kinds of per capita costs. So before I can make any conclusion or make any argument on that, I have to know the figures.

Thus my question to you sir: is it correct that it is 164 roughly per capita for every man, woman, and child in the province of Saskatchewan, 30 in Ontario, and 18 in the province of Quebec. Are those the numbers? And if not, then as I say, I want to find out what are the numbers.

**Hon. Mr. Hepworth:** — Mr. Chairman, if we work on the assumption that there's a million people plus in the province, and the numbers I referred to total roughly \$124 million, then the per capita contribution would be about \$124, and for this appropriation on behalf of the taxpayers who are asking the committee to advance \$20.67 per capita, Mr. Chairman.

**Mr. Romanow:** — Now, Mr. Chairman, the other side of my question . . . I'm trying to assess the two-twelfths of that 124 that we are — as the minister says — we are obligated for. I'd like to sort of know what that looks like in comparison to the per capita for the same program in Ontario and in Quebec. The minister and his officials must surely have that figure. Can they tell me, if it's 124 per capita in Saskatchewan, what is it in Ontario and Quebec?

**Hon. Mr. Hepworth:** — Mr. Chairman, members of the committee, relative to what the numbers are in Ontario and Quebec, (a) I would recommend either he ask the Minister of Agriculture in detailed examination of the estimates, or put the inquiry directly to Ontario or Quebec.

**Mr. Romanow:** — Is it the position, Mr. Chairman, that the minister refuses to give me the per capita costs; or incredibly, I would argue, he does not know the per capita costs? I will ask that first question.

I will ask the second related question. Was this deal of GRIP and NISA and the impact on taxpayers negotiated in the absence of your input as Minister of Finance or the input of your Finance officials? Because we're talking about a budget here, two-twelfths of a budget, with budgetary implications and considerations. Were you not a part of those national negotiations and their possible impact here at home?

**Hon. Mr. Hepworth:** — Mr. Chairman, members of the committee, as I understand it, the cost of the program varies from province to province.

**Mr. Romanow:** — Again, Mr. Chairman, you know, I understand the frustration of the government in the way that we perhaps phrase our questions, and I readily admit that perhaps we don't come quite succinctly to the point. But I have to say, admitting some concern on our side, that the answer here is not very helpful either.

It's not credible nor helpful in terms of speed for the minister to simply say, well, you know, I don't know what Ontario and Quebec does; you go figure it out, take your

calculator, etc. Because he knows what I'm trying to get at. And he either has a good defence or he doesn't have a good defence, and that's what we're trying to get at.

And so I'll try one more time, Mr. Chairman. I don't have very many more questions in this field, and my other colleagues have other questions to move on in this Bill. But I want to ask you, sir, you know what those per capita costs are for Quebec and for Ontario, as examples. And I would invite you, sir, to give me them because I want to compare them to the Saskatchewan figure and I want to see what kind of a tax bite the taxpayers in Ontario and Quebec have with respect to GRIP and NISA, and I want to compare that . . . (inaudible interjection) . . . Pardon me?

**Mr. Chairman:** — Order. The member for Rosthern, allow the Leader of the Opposition to put his question. Order.

**Mr. Romanow:** — Thank you, Mr. Chairman. So would the minister please give me the per capita costs in Ontario and Quebec as compared to Saskatchewan for the programs.

**Hon. Mr. Hepworth:** — Mr. Chairman, I'd have to recommend to the committee that the hon. member put that kind of detailed question to the Agriculture officials when they are here and in place for full examination of their estimates by the committee. As I said before the cost varies from province to province. The cost per benefit does not.

**Mr. Romanow:** — Let me try one more time here. Are you telling me that you know the per capita but you're not going to tell me, or are you saying you do not know the per capita comparisons. Which of those two is it?

**Hon. Mr. Hepworth:** — Well, Mr. Chairman, members of the committee, at the risk of sending the opposition into a tail-spin again, that kind of detailed question about what the per capita cost for GRIP and NISA are in Quebec and Ontario is hardly relevant to the examination of this motion in the Appropriation Bill.

Having said that, as I said earlier, I don't have that kind of detail. That's why I recommended to you if anybody might have it, it could be the Agriculture officials, and that might be an appropriate question to bring up when their estimates are under examination.

**Mr. Romanow:** — Well, Mr. Chairman, at the risk of putting the Minister of Finance and the government in a tail-spin . . . although there is very little risk of a tail-spin over there. They've gone down so far there's nowhere left to go to tail down. But, leaving that as an aside . . .

What's the minister showing me from Rosthern?

**An Hon. Member:** — NDP attack falters.

**Mr. Romanow:** — Oh falters, oh I see.

**An Hon. Member:** — On the wrong side again.

**Mr. Romanow:** — Oh good.

**An Hon. Member:** — NDP silent on PST . . .

**Mr. Chairman:** — Order, order, order.

**Mr. Romanow:** — Thank you very much. That is what I call a brilliant intervention by a brilliant minister, a brilliant minister.

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

**Mr. Romanow:** — Mr. Chairman, the Minister of Finance says — and it looks like we're going to be forced to do this, that he will not give us the numbers or that he does not have those numbers — but he says moreover, in effect by implication, that it is not our duty or our responsibility or our right to ask about those numbers.

**An Hon. Member:** — He didn't say that.

**Mr. Romanow:** — Oh yes because he said we're talking about the interim supply here. And well what are they?

**An Hon. Member:** — I got the wrong Bill?

**Mr. Romanow:** — No you've got the right Bill, but you've got absolutely the wrong arguments, not only on this issue but on virtually everything else that you've answered with respect to this committee.

We are here as legislators trying to judge whether or not the two-twelfths expenditures of all of the items are measured in the public interest. We are here trying to figure out whether or not — by virtue of a certain allocation of sums, with respect to GRIP and NISA, the area that I'm talking about — the Saskatchewan taxpayers are paying a disproportionately larger amount of their share for those programs as compared to other provinces. And if that's so, what is it in terms of the negotiation which resulted — if that's so, you refuse to confirm or deny it — what is it in the negotiation process which made the Saskatchewan taxpayers pay a lot more for GRIP and NISA here in Saskatchewan than say the wealthier provinces of Ontario and Quebec, at a time when the province of Saskatchewan is running a deficit, at a time when you're putting on the 7 per cent PST, at a time when our economy is hurting very badly?

And we're trying to figure out whether or not this is an appropriate two months expenditure, what's the justification for it. And you, sir, are absolutely incapable and unwilling — if there is a willingness there because of an argument — to try to give us an answer to that proposition.

Now surely to goodness that is not beyond the capacity of you or your officials to be able to do — to mount an argument which says: well here's the rationale for the differences, here's the purpose politically, here's the social policy, here's the impact economically on the other programs.

The two-twelfth months that you're studying has an impact on education or health or whatever it happens to be because we had to do it in this context and we had to make the choices. That's what I'm trying to get into, to get

the minister to explain. And for goodness sakes, Mr. Minister, it doesn't require 20 minutes of wrestling or wrangling. There is either an economic policy which is reasoned and a social good behind this policy or there isn't.

(1115)

So I guess I have to retreat from this because the minister is again, like the government and the Premier, hiding — not wanting to engage in the debate on this issue. Obviously its economic and fiscal plan is none. And I'm sorry to hear this response, but I guess in the interests of moving the committee on, I have to take the stonewalling of the Minister of Finance and assume that he is not able to defend. Because what farmers are telling me is probably true, that the taxpayers of the province of Saskatchewan are paying a disproportionately high amount of money and as a consequence the farmers are paying higher premiums, and as a consequence other programs are also affected by this two-twelfths. And the minister's silence on this issue is deafening. It is deafening.

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

**Mr. Prebble:** — Thank you very much, Mr. Chairman. Mr. Chairman, I want to go back to our discussion on the provincial goods and services tax, and specifically ask the Minister a question that he failed to answer in question period yesterday, Mr. Chairman.

Mr. Minister, I want to ask you about your budget remarks of last year when you introduced your 1990-91 budget. And you said, sir, with respect to tax levels in this province, and I quote:

Loudly and clearly, taxpayers through Saskatchewan are saying that tax increases are not acceptable.

Quite simply, the people have said they have no more to give . . .

And I quote you, sir, you said:

The Goods and Services Tax is unacceptable.

. . . enough is enough.

I wonder, in light of those remarks, if you could explain why last year, in April, you believed the goods and services tax was unacceptable, and this year you're introducing a provincial GST.

**Hon. Mr. Hepworth:** — As I explained yesterday to the members of the committee, Mr. Chairman, yes, if one goes across the province in pre-budget consultations as I did, if one surveys the public as some members of the opposition might have, you don't hear people — not very many at least; you will hear some — volunteering that they want to pay more taxes.

But what you clearly hear is people saying that we must control the debt and deficit. We must do something to shore up and stabilize our rural economy, and in so doing, our entire provincial economy. And that's what

this budget aims to do.

It aims to do that in a number of ways, but specifically the \$125 million in revenue that we gain this year by going, on the one hand, side by side, which means a revenue drop, but on the other hand, by broadening the base which means a revenue increase, is earmarked to trigger the \$1.3 billion roughly payment from the safety nets which will help stabilize the entire economy.

As well by taking that approach, Mr. Chairman, we will not let the deficit rise by \$125 million which is what the people were clearly saying they did not want to see happen. They wanted to see it go the other way.

And so we've met both objectives. We've stabilized the rural economy and we've controlled the debt and deficit with that move, not to mention, which we talked about many times in this House, about how it will simplify things for business, but more importantly make businesses more competitive, Mr. Chairman.

**Mr. Prebble:** — Mr. Chairman, I want to ask the minister another question. Mr. Minister, you say that somehow the provincial GST is controlling your deficit, yet you're adding to the deficit, Mr. Minister, by in excess of \$300 million again this year. You haven't introduced the program for deficit reduction. What utter nonsense, Mr. Minister, just utter nonsense. And, Mr. Minister, what a lot of people were telling you is that you need to clean up your own act internally.

And I wonder, Mr. Minister, why it is that instead of introducing a provincial GST, you didn't choose instead to look at cuts in areas like government advertising, lease office space, government travel, travel by cabinet ministers, the size of your provincial cabinet, Mr. Minister, which has broken new records. Had you looked, Mr. Minister, at those areas I'm sure you could have found cost savings of 80 to \$100 million. Why did you not, Mr. Minister, introduce those kinds of cost savings and spare us the provincial GST?

**Hon. Mr. Hepworth:** — Mr. Chairman, we've worked hard at reducing expenditures as it relates to internal government operations. As I told the members of the committee yesterday, I think in the last four years, if numbers serves me correctly, although the numbers are in *Hansard*, we've taken the cost of running government internal, office space, and cars and all those kinds of things, and paper and the salaries of civil servants from about 24.3 per cent four or five years ago down to it representing a 15 per cent of the cost to the taxpayers this year, Mr. Chairman.

**Mr. Prebble:** — Well, Mr. Minister, I would suggest to you that you might try cutting your printing budget by two-thirds and save yourself \$25 million. Or you might look at cutting your advertising budget by 75 per cent and saving yourself about \$16 million. Why don't you try reducing four cabinet ministers on that side and saving yourself about \$800,000?

Mr. Minister, why don't you look at those kinds of cost savings initiatives? Try to spare yourself, Mr. Minister, the \$590,000 that you spent on an image consultant from

Toronto last year. Try to spare the taxpayers that as well. Those are some of the areas, Mr. Minister, where you could be saving money.

Mr. Minister, I want to ask you another question with respect to the provincial GST. And that is as it relates, Mr. Minister, to the impact on students in my constituency. I represent several thousand students in my riding, Mr. Minister. They are now going to have to pay a provincial GST on all their textbook purchases, Mr. Minister. Can you tell me, Mr. Minister, what is the total provincial GST that will be paid on textbooks by students as a result of this year's budget, and did you consider the negative impact that would have on students, Mr. Minister, when you decided to levy a GST on reading materials?

**Hon. Mr. Hepworth:** — Mr. Chairman, the members of the committee, the revenue from sales tax on reading materials, our estimates are that it will be something in the order of \$7.4 million. And because we do want to make sure that university libraries and school libraries and school boards that are buying textbooks, literacy, if you like, and reading, is not impaired in any way, we have set up a special provision in the budget to provide for additional funding to offset the increased costs that might occur to school boards and universities as it relates to buying textbooks and those kinds of things, Mr. Chairman.

**Mr. Prebble:** — Well, Mr. Minister, as is your wont, you have once again not answered my question. You know full well, Mr. Minister, that books that are purchased by individuals will still be taxed. Books being purchased by students in my constituency and across this province are being taxed.

How much, Mr. Minister, will students taking post-secondary education courses have to fork out in provincial GST in this budget year to cover this 7 per cent levy that your government is forcing them to pay on textbooks? What will it cost them, Mr. Minister?

**Hon. Mr. Hepworth:** — Mr. Chairman, we don't have that kind of number nor do we have it available to us, to be honest to you and members of the committee.

**Mr. Prebble:** — Well, Mr. Minister, this just bears out again the fact that you have not done an impact study on the effect that the provincial GST will have on various sectors of our economy, Mr. Minister.

I want you, Mr. Minister, in this House to justify for us, how can you possibly justify a tax on reading materials and a tax on knowledge which violates all the principles that we ought to be working for in our society?

It is fundamental, Mr. Minister, that in a democracy we have an informed population. It is fundamental, Mr. Minister, that we encourage people to read and that we fight illiteracy in this province and in this country.

A tax on reading, Mr. Minister, goes against all those directions that we ought to be working towards. You tell us, Mr. Minister, why should students or members of the general public have to put up with a tax on reading materials, Mr. Minister? This is an unprecedented tax in

Canada. Why won't you at least withdraw the tax on reading materials, sir?

**Hon. Mr. Hepworth:** — Mr. Chairman, this party, this Premier, this government, this caucus, these members here feel as strongly, maybe even stronger, I would argue . . . I personally feel very strongly about the importance of reading and literacy and what it means to society. So I don't need any lectures from the hon. member nor does this caucus. That's precisely why we moved to put the additional funding in the budget, not only an increase for the libraries, okay, but over and above it to offset the cost of that 7 per cent.

And you see, the hon. member is a bit pious and sanctimonious today, as it relates to a tax on reading materials, you see. But when he was in the legislature and his party was in the legislature in the '70s, what was his approach then? Was he raising it in question period every day then, about the taxes on reading materials that we'd had in this province — okay?

In fact it wasn't until 1975 that there was a full exemption for all books, magazines, and periodicals. Where was he in '74, '73, '72, and '71, Mr. Chairman? Do you recall that being the issue of the day in this legislature? Do you recall then that member or other members of the NDP raising it to embarrass their party that was in government then? Why now? Because it's maybe appropriate for some politics — is that the issue? Is that the issue, Mr. Chairman?

You see this isn't unprecedented like the hon. member would like to try and to suggest to the people. No question, a difficult one, but don't try and give us this malarkey about it being unprecedented. I say where were you in the early '70s? Where were you? Yes, you were cowering like a church mouse over here. Whatever Roy said went, that was it, right?

**Mr. Chairman:** — Order. Members are not to use other members' names in the legislature.

**Hon. Mr. Hepworth:** — Where was the hon. member when libraries were paying tax from 1937 to 1975, Mr. Chairman? Where was he? Where was he, Mr. Chairman? And where was he on January 1 when the federal government put the tax on reading materials. Was he lobbying? Was he raising the issue, Mr. Chairman? No he wasn't, because it didn't suit his narrow political agenda or his party's narrow political agenda.

I'm telling you, Mr. Chairman, and members of this committee, if he really believed in what he was saying he would have been on a crusade last year and again all this year, as that tax went on federally, first and foremost. And of course if we harmonize, then we're in the same position.

Where was he? If he's such a person of principle and his party is such a party of principle, where was he? Where were the voices, Mr. Chairman? The silence was deafening and this is nothing but . . . these questions just drip with hypocrisy, Mr. Chairman. That's what they do.

I want to get into the record on literacy and reading. Per

capita funding for libraries, higher than any other western province — \$5.63 per capita, Mr. Chairman.

Education development fund, established by this government. Lots of books for the libraries under that fund. The URDF (university renewal and development fund), special funding from that special fund over the last five years for our libraries.

It was this government, this administration that took the lead across Canada on literacy, not only in the conventional sense, but using computer technology with the IBM PALS (Principles of the Alphabet Literacy System) program. It was this government that introduced the reading campaigns, Mr. Chairman. It is this government that has said we will make sure that our libraries and our schools are left whole because of the tax.

Now the very easy approach would be, because of how strong we all feel about reading materials, to exempt them from the tax. We took the other approach by giving those areas additional money to offset the tax. Why? Because if you start to exempt the tax, you lose the basis for going to harmonization. Or one of the reasons for going to harmonization in the first place is to make it simpler for the consumer. It is taxed federally.

Then the question is, well should this be in or out? Has it got both federal and provincial, or just federal? That's one of the reasons — make it simpler.

But the second reason, Mr. Chairman, if you're going to start looking at exemptions, yes, many people would say reading material should be exempt. Some people would say there are many forms of reading material that they think people maybe ought to pay tax on. Others, Mr. Chairman, would say, if you're going to start making exemptions — which is a point that quite frankly I think has much merit — if you're going to start allowing exemptions from the tax then some would say well what about home heating fuel or what about baby clothes?

You see, everybody has their best example, so it becomes a question of fairness. If you start eliminating the tax for some, some others would want it. So let's do it across the piece. Keep it simpler. Offset those who need the offset which we have done in this case. And as well, we've continued our very major support for reading and literacy and libraries in this province. And this appropriation that these motions speak to, Mr. Chairman, speaks very much to that commitment.

(1130)

**Mr. Prebble:** — Well, Mr. Chairman, the member from Saskatoon South says I should be shaking in my boots. You can always tell, Mr. Chairman, when the Minister of Finance is in a tight corner because he likes to come out fighting, Mr. Minister. But actions speak louder than words, Mr. Minister. Your government's actions speak louder than your words, sir, because you, sir, are the person who has put a tax on reading materials in this province.

Just try buying the *Leader-Post* or the *Star-Phoenix*. I ask you, do you pay the 7 per cent GST on it? The answer is

yes. When your son or daughter, Mr. Minister, goes to buy a textbook in their university studies, do they pay the provincial GST on it? The answer is yes. If I go down to a local bookstore to purchase a novel, Mr. Minister, do I pay the GST on it? The answer is yes. So don't tell us, Mr. Minister, that you are trying to advance reading and knowledge in this province because your tax Bill demonstrates that that's not the case, Mr. Minister. So let's just own up to the reality that we're facing here.

Now, Mr. Chairman, the minister says that the New Democratic Party imposed a tax on reading materials in the 1970s. Well I want to give the minister a little history lesson. It was the Thatcher Liberals in the 1960s, Mr. Minister, that imposed a tax on reading materials, and we took it off in the 1970s, Mr. Minister. We took it off.

Now, Mr. Minister, I want to say to you, Mr. Minister . . . I want to turn to another area now, and that is the impact of this tax on low income families in the province. Mr. Minister, in the remarks you just made you raised the question, well if we're going to exempt reading materials, why don't . . . what about an exemption on home heating fuel? What about an exemption on clothing?

Well, Mr. Minister, that's exactly what we're suggesting. Why don't you, Mr. Minister, why don't you exempt children's clothing from your provincial GST? Why don't you, Mr. Minister, exempt natural gas and electricity from your provincial GST, Mr. Minister? This is exactly what we're arguing in this Assembly, that you should not be taxing the necessities of life, Mr. Minister. You should not be levying a tax on those kind of essential items.

Now I want to ask you, sir: have you analysed what the impact of this tax will be on low income families in this province, sir? Because I want to say to you, Mr. Minister, that this is a regressive form of taxation. It's a very regressive form of taxation. Consumption taxes are always regressive taxes, and those on the lower end of the income ladder consistently pay more in tax than middle and higher income earners do.

Now you have a limited scheme, Mr. Minister, in effect that provides a rebate of \$50 a quarter with respect to families who have children, based on the number of children in the family. But there is no rebate, sir, for low income single individuals.

So I want to use the example of a disabled person. Have you analysed, Mr. Minister, what the impact of this tax will be on persons with disability and on low income single individuals in the province of Saskatchewan? And have you also analysed, sir, what the impact of this tax will be on low income families?

**Hon. Mr. Hepworth:** — Mr. Chairman, could . . . to help answer that question, could the hon. member give us a definition of what low income is — his definition or some established definition, please.

**Mr. Prebble:** — Well, Mr. Minister, I'll use as the guide-line those families who are living below the Statistics Canada poverty line.

**An Hon. Member:** — There is no such thing.

**Mr. Prebble:** — Well the Minister of Social Services has just said there is no such thing. Mr. Minister, Mr. Chairman, I'm amazed that the Minister of Social Services would say that, but for the benefit of the Minister of Social Services and the Minister of Finance, the numbers are as follows, sir. I would have thought you would know these just as a matter of course.

But for a family living in my riding in Saskatoon, if they're . . . for a single person the poverty line this year is \$13,071; for two people the poverty line is \$17,719; for a family size of three, the poverty line is \$22,520.

**The Chairman:** — Order, order. Order. I'd asked the Minister of Social Services to allow the member to make his comments.

**Mr. Prebble:** — Thank you, Mr. Chairman. For a family of four, Mr. Minister, the poverty line in Saskatoon or Regina is \$25,928, and for a family of five, \$28,329, Mr. Minister. And this is the Statistics Canada low income cut-offs, Mr. Minister, used by the National Council on Welfare and widely recognized I might say to the Minister of Social Services, across Canada as the official basis for the poverty line in this country.

Now, Mr. Minister, my question to you is: what impact will your provincial goods and services tax have on these families and on single individuals? Have you examined that, Mr. Minister?

**Hon. Mr. Hepworth:** — Yes we have, because we did want this to be fair, Mr. Chairman, and progressive. We did not want to have those on low and modest income families penalized because of the increased taxes they would pay on services or on food, restaurant meals or any of the things that occur with the base broadening, whether it be on April 1 or on January 1, '92.

I thank the hon. member for reading into the record the examples that he has given us. It would help us define what lower income or modest income people earnings . . . what they might have to have. And so let's look at the — I think the top one you gave us was \$25,000 or one of the top — two plus two, two children, okay? A family of four with two children earning \$25,000 I think was the numbers he used.

So let's examine what that would be. Now I don't have the numbers precisely for \$25,000 but I'll give you for a family of four — 2 children, 2 adults — at 20,000 and at 30,000. I think the committee will see that this is indeed a very fair tax reform. At 20,000, the additional — and this is under full harmonization come January 1, '92, albeit the families today . . . the cheques have already gone in the mail for the first quarter, for this year, Mr. Chairman; but under full harmonization — so we can see the full impact — two adults plus two children earning a family income of \$20,000, they would pay an additional \$277 in sales tax. They will get from the provincial government, through the federal computers, \$200 per child back for a total of \$400. So they are \$123 better off with that family tax credit.

Well the member now could say, but what about 25,000?

Are they still better off at 25? Well, as I said earlier, I don't have the numbers. So let's go to the \$30,000. Let's suppose his numbers are too low. Let's suppose my definition for a family of two plus two is \$30,000, Mr. Chairman. I think they need to be kept . . . (inaudible) . . . at 30,000. Well how does that work out? Well at 30,000, they would spend \$310 more. They would get \$340 by way of family tax credit, still \$30 to the good because of the family tax credit. Not only are they not paying additional tax at the \$25,000 level for that family, but as well at the \$30,000 level, they are still better off for that family of four.

Now that's what I call fairness. You see, the NDP opposite like to think that they somehow have a monopoly on fairness. Well that's a bunch of boloney. There has been more programs put in place, more support — never mind programs — just plain political support for families in this province than we've ever seen, Mr. Chairman. And this is just another example that speaks to that.

And I think the hon. member, based on his own numbers, based on his own numbers, would have to say this is very fair for the children and families of this province, Mr. Chairman, on lower and modest incomes . . . at \$30,000, still paying less tax than they would have, had they not had the rebates and the tax not changed, Mr. Chairman. Now that's what I call fairness.

**Mr. Prebble:** — Mr. Chairman, the minister didn't answer the second part of my question. I acknowledged the rebates at the beginning, although I thank him for the details on the numbers.

My question to, sir, specifically is with respect to low income persons who do not have children. Why did you not provide them with a rebate, sir? Why are they not provided with a rebate, and what will the impact of the tax be on those persons?

**Hon. Mr. Hepworth:** — Mr. Chairman, as it relates to singles, single parents, seniors. Single parents obviously with children, the numbers would be not unlike what I read into the record, even better I suspect. Relative to the offset from the additional tax they would pay, that single child would be eligible for up to \$200 by way of the family tax credit.

But one other point I would like to make — because the reality is, in this province we do have a very progressive tax system, Mr. Chairman. Very, very progressive. And at those income levels in that 20 . . . below 20,000; the 25, 30, \$35,000 even — if you look at the taxes and charges, the kinds of things that we all have to pay on a yearly basis, the kind that are considered the essentials like the provincial income tax, health premiums, retail sales taxes, gasoline taxes, you know, your car insurance, your telephone bill, your heating bill, those kinds of things, and you add them all up and you look at an interprovincial comparison at those levels that I talked about, Saskatchewan comes out very, very well. We're first, second, third, fourth lowest in the country in all of those areas most often, Mr. Chairman.

Part of that, the reason for that, is things like the family tax credit. Other reasons are we have no health-care

premiums in this province. Other reasons are we have very reasonable car insurance rates and telephone rates. Other reasons are we have a very good SIP (Saskatchewan Income Plan) program that we've moved up from 25 to \$80 a month, which I think the hon. member would acknowledge. We have a family income program that's been topped up at \$100 per month. We've got the Saskatchewan tax reduction that remains in place today even with the credit.

The Saskatchewan tax reduction remains in place today that amounts to something in the order of \$52 million in benefits, and of course for the seniors, the heritage program that we've put in place.

The point I'm making is, Mr. Chairman, albeit families get a special credit, the reality is, if you look at all other programs that I've just talked about including the tax reduction, looked at all the taxes and charges, I think you will see, as the hon. member will acknowledge, that on those people with lower and modest incomes — because I think, you know, modest maybe is a better word to describe when you're starting to get 25 and 30; it's quite a decent income — you will see that living in Saskatchewan is still a very attractive place even with harmonization, Mr. Chairman.

**Mr. Prebble:** — Well, Mr. Chairman, once again the minister didn't answer my question. Mr. Minister, my question is very simply, why did you not provide rebates for single individuals and married couples without children living below the poverty line? They are going to bear the full brunt of this provincial GST, sir. Why were they not eligible for a rebate? We see that kind of a rebate available through the federal GST, Mr. Minister, but no rebate by your government provincially. Why, Mr. Minister, did you at least not provide those individuals and married couples with a rebate?

(1145)

**Hon. Mr. Hepworth:** — I can only repeat what I said earlier. I'm not going to go through the litany again. But if you factor in the Saskatchewan tax reduction and some of those other programs I talked about, but primarily the tax reduction, you will see, even with the tax changes, which you . . . maybe if I could get the hon. member to listen.

Even with the tax changes, we are either first or second or third or fourth lowest in these 20-25-30-\$35,000 levels when taxes and charges are included in this province, compared to interprovincially. And I think that speaks very well to the progressive nature of tax policy and the cost of living in this province, Mr. Deputy Chairman.

**Ms. Atkinson:** — Mr. Chairperson, I have a supplementary question to my colleague, the Minister of Finance. Mr. Minister, I want to lay out for you a case example of how your policy is affecting people.

I have a constituent in my riding who is 63 years of age. She is a mother of nine children and a grandmother of several grandchildren. Her husband has recently divorced her, and she is presently living on social assistance. Her income is less than \$4,000 per annum and this lady lives in a senior citizen high-rise.



Mr. Minister, she is not eligible for a tax credit to offset the provincial goods and services tax and the federal goods and services tax. This lady, who has spent her life raising her children and being a mother like a lot of other women have done in this province, has been subjected to food banks because of social assistance levels for single people. She is not in a position to get a job at the age of 63 years of age.

And I'm wondering, Mr. Minister, why it is that your government is prepared to have a tax credit to families — and I understand that — but there are low income, older women living on a subsistence allowance who aren't eligible. Why is that?

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

**Hon. Mr. Hepworth:** — Mr. Chairman, relative to the particular case that the hon. member has raised, the social assistance program budget has been topped up to offset some of the increased costs that those recipients might face that we would pay on their behalf — things like shelter and utilities, those kinds of things. It's been offset both federally to the tune of about two million and provincially to the tune of about 750 or three-quarters of a million.

As well, I suspect that that person, although I didn't hear all the details, may be eligible for the seniors' heritage program, and of course probably the subsidy that's . . . I don't know whether you'd consider it really a subsidy, but what society is doing for that person by way of subsidized public housing is probably the biggest beneficial part of what she receives from the taxpayers, Mr. Chairman.

**Ms. Atkinson:** — Well, Mr. Minister, there are a number of people in this province that live in subsidized housing. If this woman was a single parent living in subsidized housing, she would be eligible for the tax credit. You say that there's been a small increase in social assistance living, and I don't know whether or not that's true. But the point is that that increase, the small increase, will be for all social assistance recipients in the province to deal with rising costs.

But, Mr. Minister, specifically I want to get back to your tax credit policy. This lady lives on less than \$4,000 per year. In fact, as I understand it, Mr. Minister, I think she lives on less than \$3,400 per year. The point is that under the federal GST legislation she's not eligible for a tax credit because she is too poor. The point is that under your particular legislation she's not eligible for a GST tax credit because she's not a person who has children who are under the age of 18. Nevertheless, Mr. Minister, she is faced with the same problems the rest of us are, that there are certain goods and services that she must purchase that will have the provincial goods and services tax on them.

So my question, Mr. Minister, is why is it that your policy has not been extended to low income Saskatchewan citizens like the lady I've described? Why is it only applicable to people having children? Why not single elderly people or couples who are elderly or couples who are young with no children? Because each of us has a

certain number of goods and services that we have to consume. That's how we get by in our day-to-day life, and this tax applies to those minimum goods and services.

**Hon. Mr. Hepworth:** — Well, hon. member, this particular individual who you talk about with a 3,400 or \$4,000 a year income to expend, as I've said earlier, there's been offsets provided in the social assistance area. But more importantly, I think if you look at your own example, based on those numbers . . . and this lady obviously would be a very, very good manager to be living on 3,400 to \$4,000 a year. So I would suspect that this very day by far and away the majority of her purchases already are non-taxable ones like food, for example.

Any incremental spending on those kinds of numbers . . . I mean, like I said, she must be a very good manager. Any incremental spending and hence any incremental tax that would be paid on newly taxed items either as of April 1 or January 1 would, quite frankly, have to be very, very minimal. Because even if it was all spent on newly taxable items which is, quite frankly, impossible, it would be \$238.

But I doubt that that lady is buying \$3,400 of restaurant meals or snack foods or any of those kinds of things that are now newly taxable. So I suspect in that example that you give us that her . . . (inaudible interjection) . . . or \$3,400 worth of books would be a lot of books. There's no question about it. I suspect that the offset through the social assistance would probably cover that very good manager who's expending 3,500 to \$4,000 a year.

**Mr. Prebble:** — Well, Mr. Minister, I have never heard such an appalling commentary on trying to defend and trying to propose, as you were doing . . . you were trying to propose that this PST, or provincial GST, will have virtually no impact on this low income lady of 63 years of age who's living on \$3,400 a year. What absolute nonsense, Mr. Minister.

This woman is going to spend a significant amount of her budget on natural gas. She's going to spend a significant amount of her budget on electricity, Mr. Minister. She's obviously going to spend part of her budget on clothing, Mr. Minister. She is obviously going to spend a certain amount on reading materials, even if she just buys the newspaper once a week. Why should she have to pay tax on these, Mr. Minister, and why should she not be rebated? That's the fundamental question. And why should so many other people who are in the same position not be rebated, Mr. Minister?

I wonder if you could answer that question and if you could also tell us, sir, while you're on your feet, in fact what increases there are going to be to social assistance recipients in the province. Because all I see under the Saskatchewan Assistance Plan, Mr. Minister, is a reduction in the total allocation for SAP (Saskatchewan Assistance Plan). So if there are going to be increases, I wonder if you could indicate what those are.

**Hon. Mr. Hepworth:** — As I said earlier, Mr. Chairman, I admire a lady like this who can live on \$4,000 a year, Mr. Chairman. I think that's, I mean, obviously a very prudent

manager. That's why I said most of her expenditures . . . I mean this lady, I doubt, is not spending a lot of money on new clothes or cars or reading material or snack foods or restaurant meals. I doubt that. Now if I am proven otherwise, I mean on \$4,000 you just don't have a lot of disposable income to spend on things like restaurant meals and snack foods.

Her additional cost on the newspaper would be 4 cents a day, as the hon. member might point out. Her electricity, her shelter costs, things that we would pay on her behalf through social assistance are offset, as I said earlier.

You see, why this tax has a fair amount of progressivity built into it by the very nature of it is it taxes the big spenders. I mean the people who want to spend 2 and \$300,000 a year — guess what? They pay a lot of tax in absolute dollars.

Obviously, if you're a person who's in the middle, who is making a decent income, and you know, we can use your numbers — over \$25,000 for example or 35, 40 — who does want to spend a little less and save a little more. Well they're not penalized, Mr. Chairman, because they don't pay the tax if they don't spend it. Obviously somebody who's down on this very, very, very modest incomes just don't have the money to spend on any new taxable items, I would make the observation.

In fact I empathize with this lady and I admire the fact that she can manage on that kind of dollars. And I think probably the public housing is, for example, very, very helpful to that kind of individual.

**Mr. Prebble:** — I have just one more question for you but I think today we have witnessed one of the fundamental differences, sir, between your party and ours.

Mr. Minister, for you to turn around and say about a woman who is being forced to use the food bank, for you to ignore the suffering that she is facing, for you to ignore the poverty that she lives in, and for you to somehow justify your policies by saying what a good manager she is to only live on \$3,400 a year, Mr. Minister, when it's the policies of this government that have put her in that situation is absolutely appalling, sir.

And I tell you that we will not allow people to be forced to live in that kind of poverty if we assume office after the next election. No way, sir. No way to your way, I say.

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

**Mr. Prebble:** — Now I want to ask you one final question. And that is, sir, with respect to the impact that this tax will have on jobs. You have refused so far in this debate on your budget, sir, to indicate that you have done a cost-benefit analysis on the impact that this tax will have on consumer spending.

And we argue that there will be a lot of money that consumers spend leaving Saskatchewan, particularly in border communities, as a result of this tax. We are arguing, sir, that people are already spending less in the province because of this tax. They're reducing their purchases. And you have failed to do an impact analysis

on that.

We have asked you about what kind of an impact analysis you have done on prospective bankruptcies as a result of this tax in the clothing sector, the restaurant sector, the tourist sector, and the hotel sector. And you've refused to answer that question and you clearly have done no impact study, sir.

Now I want to ask you whether you've done an impact study when it comes to jobs. Because we believe that this tax is going to be devastating in terms of its impact on employment in the economy. So I wonder if you could indicate to us how many jobs will be lost in sectors like the clothing industry, the restaurant industry, and the tourist industry.

This provincial GST is a tax on jobs, sir. We believe that you're very unwise to pursue this policy. What's the impact on jobs in these various sectors?

(1200)

**Hon. Mr. Hepworth:** — Mr. Chairman, first of all I have stated several times in this legislature relative to jobs under full harmonization, yes some sectors have a difficult time in the transitional period. But in a macro sense if you look at all the sectors of our economy the gain is clear. It's a 1.6 per cent overall under full harmonization. That translates into 5,000 jobs. I've said that several times here.

And that's because businesses become more profitable, more competitive. They can expand, hire more employees, pay better wages, all of those kinds of things. Two hundred and sixty million dollars more off their bottom lines makes them more competitive, creates economic expansion. Wealth creation. I know the opposition can't get their heads around that.

The personal disposable income numbers, the hon. member says we haven't laid those out. Mr. Chairman, I have laid those out not once, not twice, not three times, but several times in the last three days in the debate on this Bill. Growth in personal disposable income 1991, 2.2 per cent; 1992, 3.8 per cent.

And quite frankly, Mr. Chairman, this is getting to be an abuse of this committee. Three days running on interim supply, three days running. The same questions being asked over and over and over. We have allowed a lot of latitude in terms of the detail we've got into. This Bill has dragged on far longer than need be for the taxpayers' best interest, Mr. Chairman.

They talk about these family tax credits, but if we don't get this interim supply Bill, I don't know whether we've got the authority to make the payments that are already in the mail, Mr. Chairman. Three days. Twelve previous Appropriation Bills, Mr. Chairman, twelve previous, one day at most, ten minutes for many. The last twelve, only a couple went over one day. This is the fourth session we've had in this legislature. And they ask the same questions over and over and over, Mr. Chairman — 2.3 and 3.8 on personal disposable income, that's the 15th time I think that I've read that into the record.

The public treasury is being abused by this process to do nothing more than hold up paying the very welfare payments the hon. member so piously suggests that he cares more about than we do. I say, Mr. Chairman, let's get on and make the payments on behalf of those families out there who are waiting for some of these benefits, Mr. Chairman.

**Ms. Atkinson:** — Thank you very much. Mr. Minister, I will try and have a calming effect on the minister because I'm quite worried about his health. He has had several outbursts in the legislature and I know his blood pressure is rising. And the way one deals with stress is to take a deep breath and, you know, to calm oneself down. And maybe if the minister would answer the questions that are being posed to the minister, the minister might improve his blood pressure.

Now, Mr. Minister, my colleagues have asked you several questions and they have asked you to table the economic impact studies, and you've refused to do that. And so we will continue to ask you questions about the economic impact upon our economy, of the provincial goods and services tax. If you were to be forthright with the opposition, I'm sure we could go on to other issues in this legislature.

And the other thing I want to remind the minister, when we were first elected in October of 1986, I don't believe we had our first budget until some time in June. The minister had no problem, the minister of the day had no problem spending Saskatchewan taxpayers' money without the appropriate legislative authority. And so I'd just like to remind the minister that his comments that because we don't have this interim supply will somehow impede his ability to send out cheques, is simply not relevant to what in fact the government has done in the past.

Now, Mr. Minister, what I do want to talk to you about is the whole area of education. Now you will recall, as Minister of Education, and you will recall as Finance minister last year, you talked about the importance of education to our province's citizens if we were to remain competitive in the global economy.

Now, Mr. Minister, if you look at this year's budget, what we have in fact seen is a very, very small increase to education. We have seen a cut of 50 per cent in the educational development fund and we have seen in many rural communities a cut in grants to those rural school boards. As a result of that, rural school boards across the province have laid off teachers, they have cut non-teaching positions, they've increased the mill rate, and they're presently involved in school closures.

Given your rhetoric, Mr. Minister, given the rhetoric that if we are to compete in the world economy, how do you explain the cuts in education that we've witnessed, the cuts in quality of education that we've witnessed, and a pulling out of jobs in our rural communities?

**Hon. Mr. Hepworth:** — Mr. Chairman, members of the committee, I think because this government recognizes education as a priority — consistently it's been one of the two departments that's had the large increases in

expenditures each year for the past nine, ten years since this administration has been in office — our commitment to education . . . though maybe just money isn't by itself a good indicator. I mean we tend to use more money equals better education. I think there are a number of other elements to how you determine quality and how you measure it.

But even if the measure is, as the hon. member suggests, more money, just keep throwing more money, perhaps she could tell the committee, if three and a half per cent increase in operating grants this year isn't enough, maybe she could tell the legislature what her party's plan is and what her position is. Should it be six and a half or eight and a half or nine and a half? Come clean with the public.

As the opposition critic, explain their position to the public. We'd like to know. We've laid ours out clearly in education — core curriculum, K to 12, the SCN (Saskatchewan Communications Network Corporation) network, distance education, regional colleges, a new agriculture college, a new technical institute building in Prince Albert, new schools across the province, consistent high spending in those areas, Mr. Chairman. I mean I could go on and on.

Are we picking up our fair share of the reading program, Mr. Chairman? We're not off-loading. We didn't chose in the face of federal off-loading to off-load onto universities. We've kept our grants high even when the cheque coming from the federal government was decreasing. I think we used virtually any measure, even money, and other measures. Our record on education is one we're proud of.

How are we doing on drop-outs? Now there's a measurement that's not money, obviously. Ultimately it's an expression of a number of things including dollars for programs. How are we doing there? How are we doing in terms of percentage of students finishing grade 8 who go on to finish grade 12, you know, that don't drop out along the way.

Well let's back up. In '66 and in '70 and in '74 when other administrations were here, in '78 . . . well let's look at the numbers on drop-outs in '66, '70, '74, and '78 and see how they were doing. How many students were going on to finish grade 12 that got to grade 8 and could make that final four years and get a high school diploma? Thirty-nine per cent in 1966. That's 25 years ago. Not a great legacy. Thirty-nine per cent of the kids that made it to grade 8, only 39 per cent went on to finish grade 12.

In 1970 it had moved up to 50 per cent; '74, 55 per cent; '78, in the NDP years, these both in the NDP years, moved up to 57 per cent. Obviously better than the 39 per cent a decade earlier. Well what about under this administration, under the Progressive Conservative administration, how are we doing there? In 1986, 72 per cent. Clearly about a 15 per cent increase in eight years. Now that's what I call performance from a Progressive Conservative administration.

In 1990 it got to 75 per cent. Well how are we doing in terms of the number of students that go on to finish post-secondary training? You know, when I went to

university — even before the hon. member, who is younger than I am, went to university — it was quite something then in a family of four for example, for one member to be able to go on to university or some post-secondary education. Not a lot of children had the opportunity for a variety of reasons. Then the issue was very much more so getting kids to complete their grade 12. If they went that extra step of post-secondary education, that was really considered something and almost everybody knew about it in the community where I came from in rural Saskatchewan. And that's not because they didn't consider education important, because they did consider education important.

But 20 and 25 years later, now families, society, and this government consider it important not just to measure how many complete their grade 12, but how many go on to post-secondary education, and how many get into university and get a degree from their universities, our fine universities in this province.

Well what are some of the facts as to how we're doing in this last decade under a Progressive Conservative administration of having not only more people finish and get their grade 12 but go on to university? Well let's look at some of the numbers.

Approximately 28,000 full-time and part-time students were enrolled in Saskatchewan's universities in '89-90. Now there's no question we hear about quotas. The opposition almost daily tells us about cut-backs, we're not spending enough, spend more, spend more, spend more. Every year I've been in this legislature, that member, I think in fact every year she's been here, I think there hasn't been a year — even when she was critic in different areas — I don't think there's been a year when she hasn't said, you're not spending enough, the cut-backs are awful, spend more money, spend more money in education.

Isn't that right? Am I not right when I say that member has said year in and year out, you're not spending enough, there's cut-backs and it's awful and the quality of education is going to go downhill? We've heard that kind of overblown rhetoric from the NDP every year I've been in this legislature.

Well I'd give you the record on the number of children finishing grade 12. How are we doing in the last 10 years on university? Well let's hear it. And yes, I say this knowing full well that there's maybe a hundred or 200 or 300 that didn't get in because of quotas. But in '89-90, there was 28,000, as I said, enrolled.

Is that a 5 per cent increase over the last decade? Is that a 10 per cent increase? I would say in the last decade, if we'd had a 30 or 40 per cent increase in enrolment at our universities, wouldn't society have said, that is an excellent way to go? Obviously they view that as a high priority.

**An Hon. Member:** — Well 30 per cent . . .

**Hon. Mr. Hepworth:** — My colleagues tell me if we'd increased enrolments 30 per cent in a decade, we'd have done very well.

Well what are the facts? This represents — that 28,000 enrolments I talked about earlier — represents a 50 per cent increase from the '80-81 year. You see, I say we have that kind of increase because we believe in education in this province for our young people, Mr. Chairman.

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

**Hon. Mr. Hepworth:** — And I could go on and talk about the large increase, the 50,000 students who are enrolled in SIAST (Saskatchewan Institute of Applied Science and Technology) programs in that same year.

Mr. Chairman, our commitment to education, K to 12 education, post-secondary education, to literacy, to reading has been unparalleled in this province and that's because this administration believes in doing something, in having a plan, and not merely giving lip-service to education, ranting and raving about cut-backs. We have a plan and we've done something about it and we stand behind it, Mr. Chairman. And I hope they approve this Bill so we can send the cheques, which are six-twelfths, to the school boards with this Bill, Mr. Chairman.

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

**Ms. Atkinson:** — Mr. Chairperson, a few minutes ago the minister was complaining about the length of this debate. And perhaps if the minister could just shorten his responses a little bit, we could get out of here.

Now, Mr. Minister, I want to go back to the question that was asked, and I appreciate that you have given us some response in terms of your record, and your record in education up until 1986 was quite acceptable. Your record in education was that increased costs that were incurred by our post-secondary institutions and our K to 12 system, in terms of inflation, were recognized by the province of Saskatchewan. And I do want to congratulate the former minister of Education, the member from Swift Current. She did an excellent job of keeping the funding to education with the rate of inflation. And I can honestly say that we made progress in this province under the former minister of Education, the member from Swift Current.

But that has not been the record since 1986. Once the government was re-elected their spending in education fell. And in fact, if I look at some press clippings from 1987 when the present Minister of Finance was the Education minister, we began to see cuts in spending in education. And in fact the Minister of Education in this press clipping dated, *Leader-Post*, April 23, 1987, talked about a \$3.3 million cut out of the \$333 million the province spends on education. He said at the time that that would cause no great hardship.

(1215)

Now the president of the Saskatchewan Teachers' Federation at the time, Gerry Cooke, indicated that the cuts, along with the rising costs of goods and services, could mean serious cut-backs in education. And that is in fact what we've seen since that budget in 1987.

Now I did say, up until 1986 the government did a fairly decent job of continuing the work in the area of education. We were making progress. Progress was made in the '70s and progress was made up until 1986.

But the government's record since 1986 has not been a good one. We have seen cut-backs in the K to 12 system. We have seen cuts at the University of Saskatchewan, the University of Regina; and we've seen cuts in our vocational institutions.

Now, Mr. Minister, you can say that great progress has been made. But it hasn't been made. And this year we will see over 300 teachers laid off in Saskatchewan, we will see over 100 non-teaching people laid off in Saskatchewan. We are hearing about rural school closures.

We are hearing — particularly in Wapella, where the member from Moosomin happens to be from — but we are hearing about these rural school closures all over Saskatchewan because this government has down-loaded the responsibility onto local property taxpayers. And local property taxpayers are saying, we give up. We are tapped out. We can't do any more in the area of education. And they're asking for the Government of Saskatchewan to recognize its verbal commitment to education by putting some money where its mouth is.

Education has reached the brink. It is on the brink of collapse. There is no more fat in the K to 12 education system. The fat is gone and we require some money, Mr. Minister.

Now the minister says we don't have a plan; we don't have a plan. Well I just want to tell the Minister of Education, we have a plan. Call the election and we will put our plan to the people of this province in the area of education.

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

**Ms. Atkinson:** — Call the election.

Now the Saskatchewan Teachers' Federation, the Saskatchewan School Trustees Association, and the LEADS association (League of Educational Administrators, Directors and Superintendents) has called on this government to begin to move to a 60/40 cost-shared arrangement. The province would pay on average 60 per cent of the cost of the K to 12 system, and the local taxpayers would pay 40 per cent.

And under this government there's been a major shift. We have moved from about 56 per cent paid for by the taxpayers to the province of Saskatchewan, to less than 48 per cent paid by the government. And the rest is being raised at the local level.

And when you begin that shift, Mr. Chairperson, what happens? The local taxpayers say, particularly given the economic crisis in this province, we can't pay any more.

And the school trustees, cognizant of the economic realities in their communities, realize they can't increase the mill rates, and so they start to consolidate schools,

they start to cut teachers, they lay off non-teaching staff, and they start to cut programs.

And when you cut programs, Mr. Minister, in industrial arts and home economics, and band and phys ed and special ed, you have a negative impact upon the quality of education.

So my question, Mr. Minister, is why don't you put your money where your mouth is? Great rhetoric on education, wonderful rhetoric. But your record doesn't match the rhetoric.

**Hon. Mr. Hepworth:** — Now the hon. member says our record, we haven't put our money where our mouth is. That's what she says. I read into it — you see their ideas — you know more money is the solution to everything. That's the idea. We see that in NDP Ontario. Just throw more money. The bigger the government the better it must be. More money, that's the answer to everything.

I went through some of the indices that people use to measure quality of education. And I think we've made great strides forward, not only in '83 and '85 and '86 and '87, but right through to the present day, Mr. Chairman.

Now her last remarks are particularly telling. She talks about school closures potentially, rural Saskatchewan and other places. Now this is classic sort of socialist stick our heads in the sand and pretend the world isn't changing around us. That's classic. It speaks volumes about the plan they don't have.

When she waved those documents, Mr. Chairman, in front of the camera, I noticed they're all blank — that she said represented their plan, that she said that represented their plan. They were all blank pages. But they'd xeroxed them, Mr. Chairman. They'd xeroxed blank pages. Can you imagine that? That was their plan, xeroxed blank pages.

Unlike the opposition, we have had a very proactive strategy relative to education in conjunction with our partners. And it doesn't stop. In this document we lay out some future questions that we collectively with our partners must address over the upcoming years, Mr. Chairman.

And a final point about our spending — because on many occasions we've heard about cut-backs, not enough; and then on another day they'll say your spending is out of control — now the reality is, Mr. Chairman, one in five dollars, approximately one in five dollars are spent on education in this province — one-fifth of the entire expenditure. I'd say that's a pretty fair commitment.

How does it stack up with the last 10 years? We've heard her talk about inflation. Have we kept up with inflation, she says. Well the reality is on education we have spent roughly — and I don't have the detailed numbers in front of me but I remember them from my days in education pretty closely — we have spent in this last decade about two times the rate of inflation on education. That's what the increases have been roughly — about two times the rate of inflation, Mr. Chairman.

Now, you see, some people would say that two times the rate of inflation, if that's been what your increase has been, they would say not enough, it's been cut back, cut back, cut back. Now some taxpayers say if you're spending increases are approaching two and three times the rate of inflation, some say it's out of control. They haven't even said the same thing.

Now which is it? Are we spending too much, about right, or not enough? I say two times the rate of inflation I think is a handsome increase. More importantly, it's been what they've been doing with the money and we are getting good value for the dollar.

The trouble with the NDP and their numbers as we saw yesterday in this House in spades, we can't trust the numbers they bring. They bring either wrong numbers or even when they bring the right numbers . . . in fact I think I know what the problem is. I think I know what the problem is, Mr. Chairman. I think I know what the problem is. Some of these people, unfortunately, didn't have the advantage of education in the '80s under Progressive Conservative administration. They were products of the '60s when the record was not so good.

And obviously, it's unfortunate that society wasn't able to provide them with a strong foundation in things like mathematics — mathematics where we learn that the decimal point is important. For example, if you don't understand how to read a number like dollars point zero seven five, some can conclude that that represents 75 cents. However, if you have had some mathematics you will understand that that is seven and a half cents.

**An Hon. Member:** — We learned that in kindergarten.

**Hon. Mr. Hepworth:** — Some say they learned that in kindergarten. Anyways, Mr. Chairman, we have made our commitment by every measure in spades to education and will continue to do so.

**Mr. Goulet:** — Yes, Mr. Chairperson, I'll be raising some questions to the minister in regards to education and Metis and non-status Indians. First of all, before I start making my comments, I was listening to the minister, Mr. Chairperson, and I was actually fairly appalled in some of his comments.

First of all he wants to shorten the debate, then he goes on and on rhetoric. The last little comment that he says is that we're back in the '60s and so on. He forgets that it was the Liberal government who were a disaster in this province in education institutions in the '60s and not the NDP. He forgets . . . (inaudible interjection) . . . Yes, and also a lot of those same Liberals that are sitting across over there in the Tory ranks today, those were the ones that wreaked disaster in this province.

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

**Mr. Goulet:** — So in regards to our education system, I think the minister hasn't really learned from the history of our own education system, and he forgets that it's some of his fellow Liberals who are now Tories that were part of this history. So he should maybe go back to school and read a little bit of his own history.

And in regards to learning how to count, well we don't need to tell the people of Saskatchewan on how well you've been able to count. On one year you were out by \$800 million, so we don't need to make any more comments on that.

But what I'm interested in, Mr. Minister, is this. What I'm interested in is this about your government. I think in your government what we're seeing is a real lack of compassion. I think what we're seeing is a government that completely pays no attention to people in need. When you look at people in Saskatchewan, whether it's children and poverty in Saskatchewan or whether we look at students who are trying hard now to make a living and go to school, what we see is a government that is attacking their means of making a living in the future and they're attacking their education base.

And more particularly, Mr. Chairperson, the whole area of non-status Indian and Metis persons — and I will provide a little bit of an historical record for the minister because he does not seem to relate much to the actual history of Saskatchewan, so I'll give him a little bit of background on it.

The background that . . . I was given information by Martin Durocher from Ile-a-la-Crosse, who is part of the Gabriel Dumont student association organization. And they'd like to organize, Mr. Minister, as a response to the help that they had been receiving from this government, and there has been tremendous cut-backs in the past few years as it relates to . . . I'll give this history.

Prior to 1983, in '82 when an NDP government was around, there were bursaries for the students. The NDP government of the day knew that non-status Indian and Metis people came from a background where the majority of them were unemployed. And in many cases, therefore, that help was there. We had a proper bursary program called the NRIM program, initially the non-registered Indian and Metis program, and later on it became to be the non-status Indian and Metis program, the NSIM.

So that there was help for bursaries and they didn't have to go to the loans department to be able to get help. I remember starting university back in 1965 where I had to get a . . . I did a student loan for a few years and I had to pay it back and so on. When we were around, we helped the students out because we knew in many cases that they did not have the money to be able to pay for their education. So we helped the students out at that time.

By 1983 there was changes, and that's when the changes come. First of all the NSIM program was taken away from the Metis people and the non-status Indian people. They used to run that program. At a time when you talk about giving greater self-government, it's all pure rhetoric because at that time you took that program away from them, which was under their control.

That was not bad enough. You started to have a program which in the long run will lead to greater debt in the same way that you put a burden of debt on this province. In 1983, for example, and the information that was sent to

me by Mr. Martin Durocher, he says that the amount that they had to pay that was eligible for remission was \$1,732.50. But what was not eligible for remission and the debt that could be incurred was \$8,610. That was in 1983. So if you were not eligible for remission, your debt . . . Metis and non-status Indian students would have a debt of \$8,610.

That wasn't enough. Your government in 1985 . . . I'm giving you these statistics based on a student with three children and going for a period of two years. I'm using a two-year example in this thing because in many cases you have forced out a lot of the Metis and non-status Indian students by the third and fourth year. But in 1985 what was eligible for remission was \$2,970. But what was not eligible for remission was \$14,760. That would be the total debt incurred if you were not eligible for remission. That was in 1985.

(1230)

When I looked at 1986, this stat had jumped up to . . . what was eligible for remission was \$2,970. What was not eligible was \$29,520 by 1986 — \$29,520. By 1990 this wasn't bad enough. What was not eligible for remission by 1990 was the same — 29,520. But the eligibility for remission at that time was 10,260. And they are telling me now it's even getting worse for this year. I don't have the records for 1990-91; I've provided you the records for 1990.

What the people are telling me is this. It's really tough to go to school when you don't have the money and the background that a lot of the people . . . some of the people have in this province, some of the richer people have in this province. It's very, very difficult to go to school. In many situations the lack of money forces a lot of these students not to go to school. And a lot of them, there's becoming to be less and less people being able to go to school, basically because they say they don't have the money.

I heard your rhetoric just a while ago; you said you believe in education. But you seem not to believe in education for Metis and non-status Indian people. It seems to me that not only are you creating so much great debt for the people of the province by your PST on top of your GST, now you're putting a debt burden on the students that make it very extremely difficult to go to school and continue with their education, although they know that in many cases the only way they'll be able to get a job is to have a good education.

Mr. Minister, how is it that you can continue to say that you are supporting education when indeed you are putting a lot of these people in severe debt, whereas back in 1982 they were able to get those bursaries? Why is it that the bursary systems was cut off? Why is it that you cannot be able to do at least a bursary system for the Metis and non-status Indian students of this province?

**Hon. Mr. Hepworth:** — Mr. Chairman, I think our commitment to Indian and Metis Affairs is evidenced by the 18.2 per cent increase in the budget there this year. And specifically what we're asking the committee to approve in this interim supply is two-twelfths of that,

which would amount to something close to a million dollars, about 895,500, to be precise, Mr. Chairman.

**Mr. Goulet:** — The minister never answers questions in that regard. All he gives me is general figures. I mean we don't know whether all that money goes to Property Management, you know, or whether it goes elsewhere. We want to know exactly whether or not you will have a bursary program that's tied on with the student loan program that used to be there before, Mr. Minister. That's the question that I asked.

Is any of that extra money going to be there to help those students so that their debt that they incur is not so hard that it forces them out? Is that money geared to help these students out, Mr. Minister?

**Hon. Mr. Hepworth:** — Mr. Chairman, as it relates to details of assistance programs in education, those questions in terms of details might be best put to that minister. I can tell you that, as I recall, in fact as it relates to native students, we have I think considered a very forward-looking assistance program for them through our student loan programs by way of remissions and other things. But certainly I'd have to defer to the minister's estimates for the detailed examination of those expenditures.

**Mr. Goulet:** — Could you also, Mr. Minister, check with me on your minister, on the Gabriel Dumont Institute itself, whether or not there has been a new contract signed with them and whether or not that contract will indeed continue and part of that money will be used, you know, to continue the contract with Gabriel Dumont Institute.

**Hon. Mr. Hepworth:** — The Gabriel Dumont Institute's budget was like all other educational institutes, increased by three and a half per cent, Mr. Chairman.

**Mr. Goulet:** — I want to now get into the issue of health, Mr. Minister. Of course when the report was tabled, they said that the North was third-world medicine, and that was a quote that was given. The North was indeed third-world medicine.

I was in Prince Albert yesterday, Mr. Minister, and I had a chance to meet with a lot of the health people, a lot of the health officials, a lot of the community people who are interested in the whole issue of health. And many of them were saying that the government has done really very little in the past year to put forth some of the recommendations in regards to health, especially in northern Saskatchewan.

Now there was specifically a question asked as to whether or not in the budget there would be any amount given to facilities, and particularly the La Ronge Hospital where there was a planning phase. One of the persons got up and spoke from La Ronge. They said, as far as we're concerned, it's back to 1982 when there was already a planning phase in regards to this La Ronge Hospital. And the people in there wanting to know whether or not there was actual money being put in this year's budget to the actual building of the La Ronge Hospital rather than simply a planning phase, Mr. Minister.

**Hon. Mr. Hepworth:** — Well, Mr. Chairman, as it relates to those detailed kinds of questions, I think we've been through this issue a few times in terms of . . . The purpose of this committee is not to get into that kind of detail. I'll have to refer him to a detailed examination of the members of those Health estimates in *Estimates*.

I can, by way of . . . for general information for the committee, relative to northern health services, you might be happy to know that there is a significant increase of 9.9 per cent in '91 and '92. I think that speaks to our commitment in so far as that is being a priority item. We're trying to put additional moneys in, Mr. Chairman.

**Mr. Goulet:** — Mr. Chairperson, I raise these questions because a lot of people were concerned. They knew that this government will put in an extra few dollars just before the election, and they've done that back in '85 as well. And then after, you know, the election, then people are forgotten about.

We knew that in northern Saskatchewan. We knew that you cut back on community health workers and you cut back on many things. And then you make all kinds of promises just prior to an election and you inject a little bit in the budget.

I was just telling that, of course, to the municipal affairs minister before where, you know, they cut back on revenue sharing for northern Saskatchewan and they come up with a task force report in economic development, Mr. Minister, that said, oh, we're going to increase revenue sharing.

They're going to increase revenue sharing on one hand and they've cut it back by over \$200,000 this year. Now I see maybe that \$200,000 that you've cut back by municipal services is the one that you added, tabbed on a little bit into your health system just prior to the election.

So I understand that one of your persons, I think he might have been a deputy minister . . . yesterday I was listening to him in conversation. His name was Walter Podiluk. And he seemed to be saying that the government was not really moving on a lot of these things that were required for northern Saskatchewan. He said that in regards to the regional concept of people having greater control of health in northern Saskatchewan, people were raising the issue of that. And Mr. Podiluk was saying that we should have regional control in the North. And the only way that the people would be able to get anything from this government is for themselves to take political pressure and political power over the councils in northern Saskatchewan.

And here was a person who was working in government, now coming to say exactly what the people knew in northern Saskatchewan for nine years with this PC government, with your government.

So, Mr. Minister, in light of the way your deputy minister had mentioned — Mr. Podiluk — in regards to the fact that you are not going to do anything unless there are political pressure, you know, from northern Saskatchewan, could you come up and say, hey, we don't need political pressure from northern Saskatchewan.

We're going to work with people from northern Saskatchewan in establishing a better health system so that we don't get any other reports that say this is Third World medicine up there.

Could you give us an idea in this budget whether or not some of that extra money that you have in this budget is going to be there to create the three councils for northern Saskatchewan, the way Walter Podiluk would like to see it in northern Saskatchewan? Could the minister give us any reassurance on that, Mr. Minister?

**Hon. Mr. Hepworth:** — Mr. Chairman, I think relative to the number of issues that he's raised . . . La Ronge Hospital as I said earlier . . . I think I'd have to refer him to the appropriate minister in their detailed examination of the estimates.

**Ms. Atkinson:** — Thank you very much, Mr. Chair. Mr. Minister, earlier you were referring to *CHOICES: Preserving the Saskatchewan Way of Life*, and you were referring to your budget document that talks about education in the province. And on page 41 of the document, the written information indicates that Saskatchewan students will receive \$45 million in interest-free loans from the province. But when I examined the actual spending estimates document, nowhere in the document do I find the sum of 45 million, and I'm wondering if you can clarify what appears to be a discrepancy.

**Hon. Mr. Hepworth:** — Mr. Chairman, I think the hon. member is looking at the wrong vote. She should look under the . . . I think it's in the non-budgetary. Anyways, it's page 108, Education, vote 141, item 1.

**Ms. Atkinson:** — Thank you very much, Mr. Minister. Mr. Minister, earlier you were talking about school drop-out rates in the province of Saskatchewan, and in this document you indicate a number of statistics and figures as to the percentage of students completing grade 12 in the province since 1966. Can you tell me where you got these statistics? What is your source?

**Hon. Mr. Hepworth:** — Mr. Chairman, the Department of Education.

**Ms. Atkinson:** — And, Mr. Minister, when has the Department of Education undertaken the study that indicates that the statistics were accurate because up until, I think, a year ago there was no such studies that had been undertaken. When has the department undertaken these studies to clarify what in fact is the high school drop-out rate in the province of Saskatchewan?

**Hon. Mr. Hepworth:** — Mr. Chairman, I can't comment in detail in so far as the model or how education gathered, or analyse the statistics. I'd have to refer the hon. member to have her put her question perhaps to the Minister of Education in an examination of his estimates.

**Ms. Atkinson:** — Well, Mr. Minister, for the record . . . and I believe you were the Minister of Education at the time when I raised the problem of high school drop-out rates in the province of Saskatchewan. And there was a major study that was undertaken by Dr. Randhawa at the



University of Saskatchewan, College of Education, looking at the high school drop-out rate in this province.

And using the same methodology that he had used in 1980-81, and conducting the study for the years 1985-86, Dr. Randhawa in fact found that the high school drop-out rate had indeed risen while the Tories had been in government.

And, Mr. Minister, that particular study indicates that we have gone from a high school drop-out rate of about 33 per cent up to a high school drop-out rate of somewhere in the area of 44 per cent.

And so I'm curious to know whether or not the government is in fact putting misleading statistics and information into this document, which I just wanted to point out to the members is in fact a bit of plagiarism. I call this the Virginia document. The state of Virginia uses these kinds of documents, Mr. Minister, and I'm just wondering, was this your idea or did you lift it from some place else?

But anyway, Mr. Minister, I'm not satisfied with your explanation, and I don't think that the information that you have put in this particular document governing the high school graduation rate in this province is accurate. The information may be accurate from the '60s-70s, but I'm not convinced it's accurate for the 1980s.

So I guess I'm putting on record the fact that I will be asking the Minister of Education to clarify where he gets these statistics and the methodology that's used, because I don't accept it. I think the high school drop-out rate is much higher in this province than the Government of Saskatchewan is letting on.

(1245)

Now, Mr. Minister, I want to get back to my comments earlier. As you know, your government has undertaken a major decentralization program in the province of Saskatchewan and what you plan on doing is decentralizing jobs in Regina out to rural communities.

Now when you assess the impact of this budget on rural communities, you soon discover that in fact there are major job losses as a result of this budget. And there are job losses in rural communities as a result of the budget that you have brought down in the area of education. And we will see in excess of 400 jobs lost in rural Saskatchewan as a result of this budget.

Now, Mr. Minister, I've had the opportunity to phone a number of rural school divisions and ask them what is happening in their communities as a result of this budget. And what I discover is that there are three teachers laid off in one division, five in another, four in another, and on and on it goes, Mr. Minister. The point being, Mr. Minister, is that this budget means job cuts in rural Saskatchewan. On the one hand you're talking about decentralizing jobs out of Regina into rural communities. On the other hand, your budget document is having the very real effect that rural jobs are presently being lost.

And that's really nothing new for your government.

We've seen job losses when you cut the school-based children's dental program in rural Saskatchewan. We have seen job losses as a result of the privatization of the Highways department. We've seen job losses when it comes to SaskTel and SaskPower in rural Saskatchewan.

So I want you to square with me, square today, how you have decided to cut jobs in rural Saskatchewan with your very minimal increase in educational spending, Mr. Minister. Those jobs are already there. That will have a negative impact upon rural communities. That means that that money will not be in that community.

You talk about wealth creation, Mr. Minister. The fact of the matter is, if you have a teacher living in rural Saskatchewan, working in rural Saskatchewan, spending her money in rural Saskatchewan, that creates wealth in that community. That community generates wealth, Mr. Minister. That community, as a result of wealth generation, is able to hire people in small businesses, keep small businesses going. And on and on it goes, Mr. Minister.

Why the cuts in education? Because it does have a negative impact upon rural communities in our province.

**Hon. Mr. Hepworth:** — Well, Mr. Chairman, there's a fundamental difference here in terms of our approach to this issue. We've tried to go right back to square one. And the first thing you have to have in rural Saskatchewan to have teachers is you got to have students. And what's happening in rural Saskatchewan, the difficulties in the farm economy and the depopulation there is well-known to us all. So the question then is well what are we doing about it? Well a number of things.

Number one: getting some cash into those farm communities, GRIP and NISA, the third line of defence; making the economic pie bigger by diversifying the economy and hence the opportunity for new jobs for new families with new children to move in, and that's things like community bonds. As well, using Fair Share Saskatchewan to decentralize and to diversify the economic base of communities — more children in the schools, Mr. Chairman.

So those are some of the examples of what we are doing there to make sure we have more students, or at least the students that are there staying in rural Saskatchewan and being in those schools and hence the teachers being required for those students.

You see, the approach of the NDP, Mr. Chairman, is to sort of stick their heads in the sand, say that there aren't challenges there, just throw more money at the problem, don't try and adjust or anything like that. And I think, Mr. Chairman, you see, that flies once again in the face of our government who when we recognize a situation, we put a plan in place and go about implementing it.

Now we recognize there's been changes in the make-up of rural Saskatchewan. We've put these programs in place as well to stabilize and revitalize rural Saskatchewan. But if we stuck our heads in the sand and said, you know, no, there's no changes coming . . . we're not some dinosaur like the NDP opposition are.

To that very point, about how we administer our school systems, did you know, Mr. Chairman, did you know, Mr. Chairman, that the last time a major review was done of how we organize ourselves in the school board divisions, you know how long ago since that was done? It was 47 years ago, Mr. Chairman — 47 years ago since we really looked at how we administer our school system.

Now we think a lot of things might have changed in 47 years. So what are we doing? We've asked a couple of very respected, very respected educators and professors to look at the whole question of how we organize ourselves into school boards and school districts and how we finance them across Saskatchewan. We're not going to stick our heads in the sand and say, oh no, the sky is falling in, the world isn't changing. We're going to do something about it, Mr. Chairman, and I look forward to the results of that study, Mr. Chairman.

**Ms. Atkinson:** — Well, Mr. Minister, I've had the opportunity to read the interim report by Dr. Langlois and Dr. Scharfe. And the interim report paints a pretty sorry picture of your record in education. This province in 1985 had the fifth highest property taxes in the country. And what is the record today, Mr. Minister? — this province has the second highest property taxes in the country. And why is that? — because as of 1986 your government stopped funding education in this province and there has been a transfer of responsibility onto the backs of local property taxpayers.

That document showed that under your leadership, Mr. Minister, under your leadership in this province we have seen a major transfer of financial responsibility from the province onto the backs of local property taxpayers. And in fact, Mr. Minister, only 48 per cent of the cost of education in 1991 is paid for by the Government of Saskatchewan and the rest is paid by the local property taxpayers. That is the reality.

We have known for 10 years that there is major depopulation occurring in this province in rural communities and that there has been a massive restructuring in rural Saskatchewan. But your government chose not to even try to deal with the question until a year ago when you struck the Langlois-Scharfe commission.

Mr. Minister, we have seen this coming for some time. And your government, because of your lack of vision and because of your lack of a plan when it comes to the delivery of education in rural Saskatchewan has done nothing until the dying days of your administration.

Now, Mr. Minister, I want you to explain to me, given the fact that there were 1,400 students less in rural Saskatchewan as of September 1990, given the fact that there were fewer students in rural Saskatchewan, why is it, Mr. Minister, that we are seeing up to 366 teachers laid off when in fact what should have happened was somewhere in the area of 90. Why is that? And can you confirm that the reason that we have that problem of massive teacher cuts in this province is because you're underfunding education.

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

**Hon. Mr. Hepworth:** — The hon. member's answer, the NDP answer, continues to be spend, spend, spend. Our approach is to try and diversify the economy, stabilize and revitalize rural Saskatchewan, stabilize that economy so that our entire provincial economy will be healthier, Mr. Chairman. That way we have new jobs, new families, more children in our schools, and hopefully we can stop or reverse the decline in our rural population, Mr. Chairman.

**Ms. Atkinson:** — Mr. Minister, it's not working. It's not working. We continue to have rural depopulation. We continue to have people leaving Saskatchewan. Your economic strategy for this province hasn't worked. We've had 10 deficit budgets in nine years. We've had record bankruptcies. We've had record numbers of people leaving Saskatchewan. We've had record tax increases. We've had record privatizations. And now we have the record when it comes to the provincial goods and services tax. It isn't working, Mr. Minister. It's not working.

People are continuing to leave Saskatchewan. People have no hope. And when you cut spending to education, that really tells us where your priorities are. It tells us where your priorities are.

There were 1,400 fewer students in rural Saskatchewan in September of 1990. The grants for this year are based on those numbers, and of course there's some adjustments, Mr. Minister. Rural school boards, had they been adequately funded, would have only cut about 90 teachers. What we're witnessing today is somewhere in the area of 400 job losses in rural Saskatchewan. Why, Mr. Minister? There are at least 300 too many job losses. Why, Mr. Minister?

The reason why is because you and your government have not allowed educational spending to keep pace with inflation. We have massive changes to the unemployment insurance regulations which cost school boards more. We have an extension of the provincial goods and services tax which costs school boards more. We have, Mr. Minister, school boards having a more difficult time collecting taxes because of the economic crisis. We have, Mr. Minister, school boards dealing with the reality of a 4.5 per cent teacher pay increase, Mr. Minister.

Your grants have not kept pace. You've cut the educational development fund by some \$7 million. When you put it all together, Mr. Minister, there was a 1.5 per cent increase in spending when it comes to education. That's why there's rural school closures. That's why there's teacher cuts. That's why, Mr. Minister, rural school divisions are forced to close rural schools.

It's not acceptable, Mr. Minister; it's a sorry, sorry Tory record. It's a sorry Tory record, Mr. Minister, and I want you to justify that.

**Hon. Mr. Hepworth:** — Well, Mr. Chairman, first of all she criticizes the school boards for the management decisions they've made. She continues, as do all NDP, all

socialists, whether they're here or in Ontario, to advocate big government is better government. Never mind whether, you know, it's effective or efficient. If it's more, it's better.

But the classic thing, the word she let slip out, Mr. Chairman, was she described the three and a half per cent increase to this year's budget or the 2 per cent increase overall, the key three-letter word she used — and it's in there for *Hansard*, in *Hansard*; it will be on Monday when we return to our places, for everyone to see — she described the 2.7 per cent increase overall in the education budget, the three and a half per cent increase in the operating budgets as a cut, as a cut.

So I put to the hon. member: how high does the increase have to be before it's not described as a cut? Does it have to be 10 per cent, 9 per cent, 20 per cent? You see, three and a half per cent isn't enough. But she refuses to say to the people how much she would spend, how the NDP plan would look.

And the tragedy in all of this as we approach close to the ending time for today, Mr. Chairman, the tragedy in all of this, that in 12 interim supplies that have come to this House in recent time, only on two occasions did it take more than two days for the committee to decide . . . in fact only on two times did it take the committee more than one day — one day of the debate — to decide that we should advance some funding to school boards and hospital boards, etc., so they could pay the bills until we get the entire estimates examined.

This today now represents the fourth session at dealing with this. Every other year she wanted to know how . . . money are you going to advance the school boards and when are you going to get the cheques out there. She hasn't asked that question this year.

I'll tell you what; this is nothing more than politics to hold up this legislature, to hold up sending the payments to school boards, the welfare recipients, Mr. Chairman, and I'll tell you why. And I'll tell you why, Mr. Chairman.

Are they interested in the well-being of the school boards out there and helping with their cash flow? Are they interested in helping the hospitals get their money in their pockets to pay the bills? No, they're not. They're not interested in the larger public interest. All that member is doing is trying to advance her own self-interest, her own party's interest, for their own partisan reason. They do not have the public interest at heart one iota in this debate. And that's why they've held up for four sessions, Mr. Chairman, when at any other time, a lot of times it only takes an hour or two to do the entire Bill, Mr. Chairman.

They are blackmailing the public of Saskatchewan. They're holding up the public of Saskatchewan for their own political motives, Mr. Chairman, and it's an absolute tragedy. And the people of Saskatchewan should know it.

So when the universities phone and the school boards phone and the hospitals phone wanting to know where their cheque is, I say phone those members over there because they're responsible for this travesty of legislative justice, Mr. Chairman.

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

The committee reported progress.

The Assembly adjourned at 1:01 p.m.