

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Prebble: — Thank you, Mr. Speaker. Mr. Speaker, I rise pursuant to rule 11 to present a petition to the Legislative Assembly. The undersigned residents of the province of Saskatchewan, Mr. Speaker, are asking the provincial government not to impose the major tax increase represented by the provincial GST, and are suggesting, Mr. Speaker, that the government does not have a mandate from the people of Saskatchewan to impose such a major tax increase so late in their term.

Mr. Speaker, these petitioners are from a number of neighbourhoods in my constituency, including the neighbourhoods of Greystone, Grosvenor Park, Greystone Heights, the University area, and College Park, Mr. Speaker. And on behalf of these residents, I am pleased to present this petition to the Legislative Assembly.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Mr. Speaker, I have a second petition here with the same mandate, so I won't repeat the prayer. But the petitioners, Mr. Speaker, are in this case largely from Moose Jaw and include persons who have signed from Coteau Street West, Algoma Avenue, Hastings Street, Duffield Street, and a number of other areas in Moose Jaw, Mr. Speaker. And on their behalf I am pleased to present this petition to the Assembly as well.

Mr. Speaker, I have a third petition. This petition, sir, is signed exclusively by residents of Shellbrook, Saskatchewan. And once again, Mr. Speaker, the prayer is the same, expressing opposition to the provincial GST (goods and services tax). And on behalf of these Shellbrook residents, I'm very happy to present this petition.

The Speaker: — Order. Order, sir. On Friday I indicated to hon. members that I will not permit the signing of petitions. It's a responsibility that you must take on to yourself before you come to the House. So I'm just bringing that to the attention of all hon. members.

Mr. Prebble: — Thank you very much, Mr. Speaker. I'm happy to abide by your ruling, sir.

I have a fourth petition here, signed, Mr. Speaker, by Moose Jaw residents, the same mandate again, in opposition to the provincial GST. This petition is signed by people on Montgomery Street, Carlton Street, Marshall Crescent, Iroquois Street West, Hoch Street East, and a resident of Ponteix who signed this petition. And I'm pleased on their behalf to present it to the Legislative Assembly.

And finally, Mr. Speaker, I have a petition, once again with the same mandate in opposition to the provincial GST, signed by a number of Prince Albert residents. And I

see residents from 9th Street East in Prince Albert, from 22nd Street East, from 12th Street East, and from rural areas, Mr. Speaker, outside of Prince Albert, immediately surrounding the city of Prince Albert, that have signed this petition. And on behalf of these Saskatchewan residents, I'm very happy to present this petition . . .

The Speaker: — Order, order. Order, order. Order. We have quite a number of hon. members who wish they could present petitions simultaneously. One at a time.

Mr. Rolfes: — Thank you, Mr. Speaker. Mr. Speaker, I rise pursuant to rule 11 to present a number of petitions on behalf of residents of the province of Saskatchewan — people who are extremely concerned about the impact that the provincial PST (provincial sales tax) will have on their standard of living.

Also, Mr. Speaker, these petitioners have indicated to me that they feel that the government does not have a mandate to implement this legislation, and wish me to express this to the Assembly.

The petitioners, Mr. Speaker, that I have, come from areas such as Caronport, Rosetown, and Moose Jaw, Mr. Speaker. And on their behalf I wish to present the petition to the legislature.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, there are also people from other parts of the province who are concerned about the provincial GST, and have asked me, and requested us on this side of the House, to present their petition to the legislature, hoping that the government will reconsider not to implement the GST, which is going to have an adverse effect on their lives and on their business. These people, Mr. Speaker, are from towns like Wilcox, Saskatchewan; Outlook, Saskatchewan; and again from the city of Moose Jaw.

Mr. Speaker, I have a petition here from my . . . the city of Saskatoon, and mainly from my own riding. And in my riding, Mr. Speaker, I have found just an overwhelming opposition to the provincial GST. And these people over the weekend have asked me to make absolutely certain that I express their opposition to the GST, and have signed the petition, and asked me to submit the petition on their behalf. And that is, Mr. Speaker, what I want to do at this particular time.

Mr. Speaker, I also have a petition here from people who are expressing again their opposition to the 7 per cent . . .

The Speaker: — Order, order. Order, order. Two issues. I once more request the hon. members to co-operate and allow the member for Saskatoon South to proceed. And secondly, I'd ask the hon. member from Saskatoon South not to repeat the prayer. That's an agreement we have come to, continued reference to the prayer. Make one reference to the prayer and then submit your petitions.

Mr. Rolfes: — Thank you, Mr. Speaker. I certainly respect your ruling on that, Mr. Speaker. I have also petitioners from the . . .

The Speaker: — Order, order. Now the member from Assiniboia-Gravelbourg, I ask you to refrain. This is the third time I have asked. I point out however that you have not been alone in the other instances, but this time I'm asking you specifically — you specifically.

Mr. Rolfes: — Mr. Speaker, I also have a number of petitioners from the other centres of Saskatchewan, areas like Gravelbourg, Mossbank, and Regina, who wish me to present their petitions on their behalf opposing the GST.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, I have one further petition and that is from Tompkins, Saskatchewan; also from Davidson, and Assiniboia, where the people again are expressing their concern and have asked me to present the petition on their behalf.

Mr. Speaker, I have one last petition. This again are people from other areas of Saskatchewan, areas such as Mossbank; Briercrest, Saskatchewan; Hazel Dell, Saskatchewan; and Yorkton, Mr. Speaker, who are expressing their concern of the adverse effects of the . . . provincial PST — it's really getting to me too, Mr. Speaker. On their behalf I wish to present this petition. Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Thank you very much, Mr. Speaker. I too rise pursuant to rule 11 to present to the legislature a petition. The petitioners would ask that the province of Saskatchewan humbly sheweth that the provincial government does not have a mandate from the people of Saskatchewan to impose a major tax increase which would result from its proposed provincial GST.

Mr. Speaker, these names are from a number of communities: Crooked River, Tisdale, Esterhazy, Bjorkdale, Ridgedale, White Fox, and then on the other side of the petition — I think that's proper that they can write on both sides — Kelvington, and Arborfield. I'd like to present this on behalf of the people from these communities.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I'm honoured to rise on behalf of a large number of Saskatchewan residents, pursuant to rule 11, to table a number of petitions of people who have signed during the weekend in opposition to this government's provincial GST, and calling upon the government to withdraw this Bill until they've had an opportunity to vote on it in a provincial election.

I am pleased to do this on behalf of these people who want to be heard. They come from a large number of communities: from the city of Moose Jaw, Mr. Speaker; from the community of Unity; from Saskatoon, as well as other communities in Saskatchewan. On their behalf, I am honoured to present this petition.

Some Hon. Members: Hear, hear!

Mr. Thompson: — Thank you, Mr. Speaker. I also rise pursuant to rule 11 to present a petition to the Assembly on behalf of residents of Saskatchewan. These petitioners are urging the government to reverse its decision to impose a 7 per cent provincial GST.

These petitioners are from communities such as Raymore, Christopher Lake, Waskesiu, Crooked River, and Tisdale.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — Mr. Speaker, I rise pursuant to rule no. 11 to present a petition to the Assembly on behalf of a number of residents of the province of Saskatchewan. These petitioners urge the government to reverse its decision to impose a 7 per cent provincial GST. And they also urge the government to withdraw the Bill and consider having a provincial election.

This sheet, which contains a number of names, is some of thousands of names from the constituency of Saskatoon Westmount. These people by and large are from the entire area of the city. I see both sides of the river represented here. I see that St. Ann's Senior Citizens home is also represented on this petition.

And it gives me great pleasure, Mr. Speaker, to lay this petition on the Table on behalf of these many citizens, this representative sample of many citizens from the city of Saskatoon.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, I rise pursuant to rule 11 of the Assembly to present a number of names on a petition. These people have exercised their democratic right to have their voice heard in this Assembly by signing a petition that urges the provincial government to stop the provincial GST. These people are saying that the government have no mandate and should not continue with the passage of this unprecedented tax Bill.

These people are from communities such as Govan, Strasbourg, Raymore, Avonlea, and Regina. In fact, one of these petitioners could be one of the waitresses that I had serving me at lunch, who was bemoaning the fact that her tips have dried up since this Bill has come in. So I present this, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Simard: — Thank you, Mr. Speaker. I too rise pursuant to rule 11 to table a petition in this legislature that indicates, from a number of people in Saskatchewan, that the provincial government does not have a mandate to pass the provincial goods and services tax, and is in effect asking the government to withdraw their proposal, or their proposed amendments, which will impose this major tax increase on Saskatchewan residents.

This petition has been signed from residents all over Saskatchewan, Mr. Speaker. Some of the places

represented on the petition are Prince Albert, Smeaton, Shipman, Moose Jaw, Christopher Lake, and Paddockwood, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

READING AND RECEIVING PETITIONS

Clerk: — According to order, I have reviewed the following petitions that were presented on May 16, and under rule 11(7) find them to be in order and they are hereby read and received:

Of certain residents of the Province of Saskatchewan praying that your Honourable Assembly may be pleased to urge the Provincial Government to stop the provincial GST.

According to order, I have reviewed the petitions that were presented on May 17, and under rule 11(7) find them to be in order and they are hereby read and received:

Of certain residents of the Province of Saskatchewan praying that your Honourable Assembly may be pleased to refuse to extend the P.S.T. to goods and services.

According to order, the following petitions that were presented on May 17 have been reviewed, and under rule 11(7) I find them to be in order and they are hereby read and received:

Of certain residents of the Province of Saskatchewan praying that your Honourable Assembly may be pleased to urge the Provincial Government to reverse its decision to tax reading materials.

And according to order, the petitions that were presented on May 17 under rule 11(7), I find them to be in order and they are hereby read and received:

Of certain residents of the Province of Saskatchewan praying that your Honourable Assembly may be pleased to urge the Provincial Government to stop the provincial GST.

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Mr. Van Mulligen: — Mr. Speaker, it gives me pleasure to introduce to you Mr. Leendert Oorschot, who's a visitor from the Netherlands. Mr. Oorschot is a retired personnel supervisor and he's visiting Regina and Saskatchewan for a number of days. And I wonder if I might say a few words in my native tongue.

(The hon. member spoke for a time in Dutch).

I wonder if members could join with me to welcome Leendert Oorschot.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Studies on the Impact of the Provincial GST

Mr. Tchorzewski: — Thank you, Mr. Speaker. I have a question which I would like to direct to the Acting Premier. Mr. Acting Premier, my question involves the so-called, in-depth — as the minister has called it — the in-depth study on the impact of the provincial GST which the government released several days ago.

And I ask, Mr. Minister, would you confirm that, rather than have a whole new economic study undertaken as it should have been, your government simply used the federal model developed for the implementation of the GST in Saskatchewan and extrapolated it to the provincial sales tax?

Will you confirm that this report is, as such, a hasty and a sloppy response to the heat that you have been receiving from the public because you have not been prepared to table your economic analysis. Will you confirm that?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, one of the models that was used was based on the federal government's model — the only agency quite frankly that can work up that model, Mr. Speaker. I know the hon. member doesn't like the results of this study, because they and other studies conclusively prove, Mr. Speaker, that under full harmonization the economic pie in Saskatchewan will expand.

There will be new jobs, Mr. Speaker. There will be more economic wealth. There will be lower costs for operations for businesses. They will be more competitive, Mr. Speaker. If they're more competitive they can expand, hire more employees, lower the cost to the consumers, Mr. Speaker, or indeed hire . . . or pay better wages to the existing employees, Mr. Speaker.

Mr. Tchorzewski: — A new question to the same minister. Mr. Speaker, I want the minister to know that we don't like the devastating effect that the federal GST has had on the Canadian-Saskatchewan economy, which will be reinforced by the provincial GST which the minister opposite proposes.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Minister, the one thing that can't be found in your so-called comprehensive report is the impact on the inflation rate that's going to be . . . that's being caused by the provincial GST. In April the inflation rate in Regina was 1.4 per cent; in Saskatoon it was 1.3 per cent — at the same time when the national rate remained unchanged and all other provinces saw either a drop in inflation, a zero increase, or a very, very modest increase.

Why wasn't an inflationary impact of that nature considered to be significant enough to be included in your report and your study, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — No, Mr. Speaker, on the contrary, we have indicated that there would be a one-time inflationary impact, modest enough, something in the order, under full harmonization, I think of 1.6 or 1.7 per cent. We've never tried to suggest otherwise. But I would remind you, Mr. Speaker, and all the members that it is a one-time impact, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, the question to the minister, a new question again. It was your own bureau of statistics, Mr. Speaker, not somebody else, but your own government's bureau of statistics that put these inflationary numbers in place and said that they were a result of your GST, which started on April 1. And the largest increases, Mr. Minister, that it talked about were increases on the necessities of life — for example, such things as clothing.

I ask you, Mr. Minister, how in the world can you call a tax which gouges more and more money out of low and middle income people to purchase food and clothing and other necessities to be a fair tax? How do you say that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, we have been very concerned with fairness in putting these tax changes together. I would remind all the members again: these are the changes we put in place to ensure fairness for families on lower and modest incomes, in that 25 to \$30,000 level, Mr. Speaker; the family tax credit of up to \$200 per child for families, Mr. Speaker, as I said, on those lower and more modest incomes.

As well, because we want to maintain progressivity in this system — that is those who are wealthier should pay more, Mr. Speaker — as well we increased the high income surtax from 12 to 15 per cent, and as well corporations. Yes, they will be much more competitive under this system, but they too must help deal with the debt and the deficit.

And for that reason, Mr. Speaker, the corporate income tax and corporate capital tax surcharge have gone up, Mr. Speaker, in this budget as well.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, I have a question for the Minister of Finance as well on the same topic, the province's economic impact study related to the provincial GST. Mr. Speaker, Mr. Minister, in your province's report you paint a glowing picture of the impact of the tax, and I ask you, Mr. Minister, how you reconcile that with this April 2 headline in the *Leader-Post*, "GST blamed for economic mess." "GST blamed for economic mess." Mr. Minister, how do you reconcile that? How does that wash in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — First of all, Mr. Speaker, the first

step, if you like, of harmonization occurred on April 1 when we added things like restaurant meals, when many other jurisdictions across Canada — I guess with the exception of two — have been taxing those for some time, Mr. Speaker. Obviously snack foods and restaurant meals have been added as part of it. The hon. member likes to refer to that headline.

I think those professional organizations such as the industrial dealers association of Canada, who have looked at our budget documents in some detail including a harmonization . . . The headline in the *Leader-Post* was, Saskatchewan gets an A for economic growth, Mr. Speaker. So I think anybody who studies it sees what's behind these changes, Mr. Speaker, that we're contemplating in this budget, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, new question, same minister. Mr. Minister, the federal GST has not been exactly a hit in this country or this province. You want to share some headlines, Mr. Minister, let's share some headlines.

Star-Phoenix of February 23, "GST said behind biggest inflation increase ever."; *Leader-Post*, May 7, "GST 'hurting' hotel business."; *Globe and Mail*, May 3, "GST to cost family extra \$570."

And so I ask you, Mr. Minister, in light of those assessments of the economic model used for your study, how in the world can you justify the rosy projections. How do you do it, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, these changes, this form of taxation, is meant to put our businesses in a more competitive position, so that they can continue to stabilize and diversify the economy, so that sectors like our agriculture sector, our oil and gas sector, our potash sector, our uranium sector, Mr. Speaker, can be more competitive and therefore help diversify our economy . . . And so our manufacturing sector and our processing sector which have seen tremendous diversification, Mr. Speaker.

The projects all across this province, big projects and small projects, paper plants, upgraders, Mr. Speaker — I'll compare our record on diversification, augmented by these changes, any day to what the NDP have put forth. And that's why you get headlines like, NDP's record is shabby on diversification, Mr. Speaker, They have no plan, Mr. Speaker. I challenge them to tell us how they're going to . . .

The Speaker: — Order.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, a new question to the same minister. Mr. Minister, the Saskatchewan business people do want to be competitive, and what they're saying: to be competitive, scratch the PST, call an election, let's get on with building Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Minister, there would be virtually nobody in this nation who would be of the view that the GST information that you based your document on was credible information. And surely you're not claiming that a study based on flawed input is a serious study. Surely you're not claiming that, Mr. Minister.

And so I ask you in this Assembly today: will you not admit to this Assembly and to the people of Saskatchewan that your report was nothing more than a slap-happy, last-minute effort thrown together to try and deflect the heat that you are getting from the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — No . . .

The Speaker: — Order, order, order, order. Order, order. Order, order. Order. The previous minister of Finance would like to answer the question, however we're going to allow the present one to do it. Order, order. Order, order. Order, order.

Hon. Mr. Hepworth: — Well, Mr. Speaker, this report is a well-researched and well-documented document. The problem that the NDP (New Democratic Party) are having with this document, Mr. Speaker, is it uses big words like general equilibrium analysis and input-output analysis, Mr. Speaker. That's the problem they're having with it.

And the other problem they're having with it, Mr. Speaker, is it goes sector by sector, and it outlines the new jobs because of harmonization: 1,127 new jobs, Mr. Speaker, in the agriculture and mining and forestry sector; 589 new jobs in the construction sector, Mr. Speaker; 350 new jobs in the transportation utilities sector; 3,394 new jobs in the services sector, for a total of 5,661 jobs detailed sector by sector — new jobs because our businesses will be more competitive, our economy will be more diversified and stabilized, Mr. Speaker.

We have a plan to diversify the economy; they have no plan. They are bankrupt of ideas, Mr. Speaker. That is the problem with the NDP, Mr. Speaker. No plan.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Speaker, my question is to the Minister of Finance . . .

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

Ms. Atkinson: — Thank you, Mr. Speaker. My question is to the Minister of Finance, and it has to do with the economic employment impact that was addressed in his study.

I noticed the minister talked about all of these new jobs, but the one category that he skipped over was the food and beverage industry, which says, Mr. Minister, that some 91 new jobs will be created in the restaurant industry.

Of all your claims, Mr. Minister, that is the most ludicrous. Haven't you been listening to the restaurant industry, Mr. Minister? Haven't you heard them telling you that their tax, the tax that you've put on, is driving them out of business and is forcing them to lay off staff? Mr. Minister, where have you been in the last two months?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — The restaurant sector . . .

The Speaker: — Order, order. Order, order. We are unable to hear the words which the hon. member I'm sure wants us to hear, then we can all judge what the . . . The Minister of Finance . . . let us allow him to address the House.

Hon. Mr. Hepworth: — Mr. Speaker, first of all, if memory serves me correctly, the restaurant businesses come under the services sector which show 3,394 new jobs will be created. Now I recognize that the service sector is a very broad sector, encompasses a number of services that are provided in the . . . what's called the service economy, Mr. Speaker. The restaurant sector would be one of them.

I have never tried to suggest that somehow because they are faced now with collecting two taxes in the space of three or four months, that it's going to be easy for them. I've never suggested that.

However it is worth noting again, Mr. Speaker, that all provinces — I think except Alberta and B.C. — have charges on restaurant meals. I think some maybe have exemptions of under 2 or 3 or \$4. But all provinces have charges with the exception of Alberta and B.C. on restaurant meals.

Secondly, they will be eligible for the input tax credit that they aren't eligible for anywhere else except Quebec and P.E.I., Mr. Speaker.

And thirdly, Mr. Speaker, we have tried as well to adjust the commissions to make it a little easier for them, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Thank you, Mr. Speaker. Mr. Speaker, because the government members have refused to answer the questions, and because the government members refuse to allow debate, I hereby move that this House now adjourn.

Some Hon. Members: Hear, hear!

The Speaker: — Before I indicate, I should like to read this short statement to hon. members, which is not related to this ruling at all.

I wish to draw to the attention of all members that there is an error. If I may have leave . . . leave is not given? Is leave given for a short statement? Okay, thank you.

Leave granted.

The Speaker: — I wish to draw to the attention of all members that there is an error in the *Votes and Proceedings* for Friday, May 17. The error is the omission of the notice for rule 16 motion, which was tabled at 10:12 o'clock on Friday morning by the member for Wilkie. The notice is now being distributed to all members and will appear on the order paper for Tuesday.

I have listened to the hon. member's adjournment motion and have given it consideration, and have ruled to accept it, according to rule 4 of the rule book.

The division bells began to ring at 2:42 p.m.

The Speaker: — While the House is waiting for the vote on an adjournment motion, I call to attention the fact that hon. members are not to use unparliamentary language, and it is important that all members co-operate in this matter. I would just draw that to your attention at this time.

The division bells were interrupted at 4:20 p.m.

The Speaker: — Would you mind turning the bells off, please. I wish to make this statement to the few members who are present. It's a copy of a letter that I have sent to the Government House Leader and to the Opposition House Leader. It reads as follows.

Gentlemen: Today being a statutory holiday, I propose to take the following action to allow some staff to return home for the remainder of the day. The bells will be turned off and the Chamber closed until just prior to 10 p.m. At that time I will return to the Chamber to conduct the vote or adjourn the House. Should there be agreement between the whips to hold the division at an earlier hour, I ask that you give the Clerk's office one-half hour's notice prior to the time that the vote is to take place. I will then resume the ringing of the bells at once and recall the necessary staff. Yours sincerely, Arnold B. Tusa, Speaker of the Legislative Assembly.

Mr. Deputy Speaker returned to the Chamber at 9:59 p.m.

The Deputy Speaker: — Order. It being 10 o'clock the motion to adjourn now lapses. This House stands adjourned until 2 p.m. tomorrow.

The Assembly adjourned at 10 p.m.