

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Rolfes: — Thank you, Mr. Speaker. Mr. Speaker, pursuant to rule 11, I wish to table a petition here today concerning the expanded provincial GST (goods and services tax). On behalf of the residents of Watrous, Saskatchewan, I table this petition.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. On behalf of some 20 residents of Maple Creek, Saskatchewan — Maple Creek and surrounding district that is — I'm pleased to present a petition summed up in one sentence: we urge the provincial government to reverse its decision to impose this unfair GST.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Thank you, Mr. Speaker. I rise also pursuant to rule 11 to present a number of names on a petition. These people are neighbours of mine in the constituency of Elphinstone, and they would ask the provincial government does not have the mandate from the people of Saskatchewan to impose the major tax increase which would result from its proposed provincial GST. And I hereby submit this petition.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I too rise pursuant to rule 11 to present these petitions on behalf of people who have signed them urging the provincial government to stop the provincial GST. They join the many thousands who have already expressed that view through petitions in this House.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Mr. Speaker, I also rise pursuant to rule 11 to provide the House with a petition of a number of individuals from the town of Watrous who are opposed to the imposition of the provincial sales tax. I so present this petition.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. I would seek leave of the Assembly to extend our introductions to guests seated in the gallery.

Leave granted.

The Speaker: — Leave to all members who wish to introduce guests.

INTRODUCTION OF GUESTS

Hon. Mr. Hepworth: — Mr. Speaker, I'd like to introduce to you, and through you to all members of the legislature,

some 26 grade 4 and 5 students from Souris School in Weyburn. They're accompanied today by their teacher, Ms. Morrelljohnson; as well as chaperons, Lorraine Lanz, Joanne Carpenter, Carol LaCharite, Faith Kohonick; and bus driver, Vance Pederson.

I'll be meeting with them at about 2:30, Mr. Speaker, for pictures and hopefully to join them later for some refreshments and answer any questions that they might have. And I would just ask all members of the legislature to join with me in welcoming these grade 4 and 5 students from Weyburn, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. Lyons: — Thank you, Mr. Speaker. I'd like to introduce to you, sir, and to all members of the Assembly, seated in your gallery are 14 recent immigrants and residents of the province of Saskatchewan who are attending a course at the English as a second language centre of the SIAST (Saskatchewan Institute of Applied Science and Technology) campus.

Mr. Speaker, I will be meeting with these 14 adults after question period today for pictures and refreshments. And I'd like to ask all members of this Assembly to welcome these new arrivals to Saskatchewan, not only a welcome to this Assembly but to our province.

Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. It is my pleasure to welcome through you and ask members to join me in welcoming some special guests who are here with us today from Kiev in the Ukraine. They are here to perform at the Mosaic.

I want to point out to the House an item of interest and that is that this will be the 15th consecutive year in which there have been entertainers who have come to Regina during Mosaic from the Ukraine to perform at this very significant cultural, multicultural event in our city.

I want to draw your attention, Mr. Speaker, to your gallery where these guests are seated and introduce them and ask them to rise as I do that. First of all Iryna Datz, who is a vocal soloist with the Kiev Opera and Ballet Theatre; also Hryhoriy Havkusha, vocal soloist with the Kiev Philharmonic; Bohdan Parumba, head of the department of folk instruments of the Ivano Frankivsk Musical College; and also Ivan Sporadenko who is editor of the newspaper *Silski Visti*.

I would like to ask members of the House to join with me in welcoming our special guests and wishing them well during their stay in Regina and in Saskatchewan.

Hon. Members: Hear, hear!

Ms. Simard: — Thank you, Mr. Speaker. I too would like to introduce some guests to you, Mr. Speaker, and to the other members through you. From Deshayes School, grades 4 and 5, I think there are some 29 students sitting in the east gallery, Mr. Speaker. They are accompanied by their teacher, Mrs. Gwen Falconer; and chaperons, Mrs.

Lang, Mrs. Deadman, Mrs. Sherman, and Mrs. Lionetti. I would ask you to join me in welcoming them and I'll be meeting them later.

Hon. Members: Hear, hear!

Hon. Mr. Martin: — Mr. Speaker, I would also like to welcome the students from Deshay School. My niece is up there as one of the chaperons and I know that her daughter is in the crowd as well. I would also like everyone to join me in wishing them have a good day in the legislature, and I'm sure you'll enjoy meeting with the MLA (Member of the Legislative Assembly) a little later on.

Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you. Mr. Speaker, I want to join the member in extending a welcome to the group of students just introduced because as I came into the building today I ran into one of the parents, and it was kind if a special meeting because it so happens — but one of the parents who used to be Annette Lang is now Annette Williams, who is escorting the school, was a student of mine when I was a teacher in Humboldt. It was very special having Annette come up and say hello and introducing herself. She hasn't changed at all. And I just wanted to say welcome to the students along with the member and the members of the House.

Hon. Members: Hear, hear!

PRESENTING PETITIONS (continued)

Mr. Thompson: — Thank you, Mr. Speaker. I also rise under rule 11 to present a petition signed by a number of petitioners from the village . . . or town of Watrous. I so lay these on the Table.

Some Hon. Members: Hear, hear!

Mr. Brockelbank: — Thank you, Mr. Speaker. I rise also under 11(2) rules of this Assembly to put a petition before the Assembly. The prayer of the petition says:

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

A number of people have signed this petition, Mr. Speaker, mainly from rural Saskatchewan, such diverse areas as Tisdale, Watrous, and Saskatoon, the city of Saskatoon as well. And it's with a great deal of pleasure I lay this petition on the Table, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — Thank you, Mr. Speaker. I also rise under rule 11 to present a petition to the Assembly. The petitioners urge the provincial government to stop the provincial GST until the people of the province have an opportunity to pass judgement on it in a provincial

election.

The petitioners are from the city of Prince Albert and district, Mr. Speaker, including Weldon, Birch Hills, and Whelan Bay. And I have the honour to present this petition to the Assembly on their behalf.

Some Hon. Members: Hear, hear!

Ms. Simard: — Thank you, Mr. Speaker. I also wish to table a petition under rule 11 which requests the provincial government not to impose the major tax increase known as the provincial goods and services tax inasmuch as it doesn't have a mandate to impose that increase. The petitioners who have signed this petition, Mr. Speaker, are from Regina. There is one signature however from Sedley. Thank you.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Thank you, Mr. Speaker. I'm presenting a petition on behalf of several residents in south-western Saskatchewan from Maple Creek, Consul, Golden Prairie, Tompkins, and Fox Valley. And they are all asking that the government not implement the 7 per cent GST. Particularly they are stating their opposition to the tax on books, magazines, and newspapers.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. I rise pursuant to rule 11 to present to the Legislative Assembly on behalf of many residents of the province of Saskatchewan. Mr. Speaker, these residents are urging the provincial government to stop the provincial GST until the people of the province have had an opportunity to pass judgement on it in a provincial election. Mr. Speaker, these residents are from many parts of Regina, in particular from the constituency of Regina North West which is an area I represent. I'm pleased on their behalf to present this petition, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Thank you very much, Mr. Speaker. I rise pursuant to rule 11 to table in this Assembly a petition signed by several residents of the city of Saskatoon who oppose the provincial government's planned goods and services tax. They are indicting that the Government of Saskatchewan does not have a mandate from them to impose this unfair provincial goods and services tax, and I'm pleased to be able to lay this petition on the Table.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Thank you, Mr. Speaker. I rise also pursuant to rule 11 to present a petition to the Assembly here this afternoon on behalf of the S & M Family Restaurant at Radisson, Saskatchewan. The owner of that business realizes that the petition may not be in the form that would be ruled in order, but I'll let the Clerks at the Table make that determination.

The petitioners are asking this Legislative Assembly to find a remedy to a situation that the government has imposed. It's unfair to the S & M Family Restaurant. And

the several hundred petitioners gathered by the owner of the S & M restaurant are asking the Assembly to find a remedy to the unfair treatment that has been received by the proprietor of that establishment because of a service road that was built that has inconvenienced his business to a great extent. And I'll present that petition here this afternoon, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

The Speaker: — I'd just like to make a comment on that. The hon. member make a curious statement where he felt that the petition he was presenting may not be in order. And one would have thought that he would have taken care prior to coming here to see that it is or it isn't. I just found that a curious statement.

Mr. Goulet: — Mr. Speaker, in accordance with rule 11, I present the petition. And the petition basically reads, Mr. Speaker, that people from these particular communities are opposed to the provincial GST. Basically they are saying that the government has no mandate until after an election. The people exercising their democratic right, Mr. Speaker, are from Saskatoon and area.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Thank you very much, Mr. Speaker. Pursuant to rule 11, I join my colleagues in bringing a petition to the Assembly from residents of the town of Eyebrow as well as many citizens of my home community of Moose Jaw. Mr. Speaker, these people are opposed to the government's introduction of the goods and services tax, provincial goods and services tax, without the mandate that it can earn in an election. On their behalf I'm very honoured to lay this on the Table of the Assembly, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Pringle: — Thank you very much, Mr. Speaker. Mr. Speaker, I rise and join my colleagues pursuant to rule 11 to present a petition on behalf of citizens of Weyburn, Saskatchewan. The citizens of Weyburn are saying that they support the Alliance Against Tax on Reading and their opposition to tax on books, magazines, and newspapers.

These residents of Weyburn believe that the tax on knowledge and information is detrimental to learning and therefore they feel that they would like the government to withdraw that tax, Mr. Speaker, saying that this tax would be the only one of its kind in Canada and that then Saskatchewan would be among the highest taxed on books in all of Canada. And it's my pleasure to present this petition, Mr. Speaker. It is my pleasure to present this petition and ask the government to reverse its decision from the citizens of Weyburn, Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Thank you very much, Mr. Speaker. Mr. Speaker, it's my honour today to rise pursuant to rule 11 to present the petition on behalf of the 20 petitioners resident in the province of Saskatchewan. These petitioners humbly pray that the Honourable Assembly may be

pleased to urge the Provincial Government to stop the provincial GST until the people of the province have an opportunity to pass judgement on it — that is the provincial government — in a provincial election.

Mr. Speaker, these petitioners come mostly from the city of Prince Albert, from 7th Street East, from Bliss Crescent, 4th Avenue West, and so on and so forth, although I do notice that as well there is a petitioner from the city of Saskatoon. And, Mr. Speaker, I've checked this petition. I believe that it's in order although it will be up to the Clerk to finally make that determination. I'd like to lay it on the Table at this time.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker. Mr. Speaker, pursuant to rule 11, I too have a petition to present, to lay on the Table today. It's a petition. Mr. Speaker, signed by people who are particularly angry with this government's attempt to tax reading materials. Mr. Speaker, these petitioners pray that your honourable Assembly may be pleased to urge the provincial government to reverse its decision to impose this unfair tax. And, Mr. Speaker, these petitioners all make their home in the beautiful community of Avonlea.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Thank you very much, Mr. Speaker. I too rise pursuant to rule 11 to present this petition on behalf of a number of Saskatchewan residents. Mr. Speaker, these petitioners are asking the provincial government to stop the implementation of the provincial goods and services tax before they've had an opportunity to pass judgement on it in a provincial election. Mr. Speaker, the majority of these petitioners are from Watrous. I notice one from Regina here, as well as other areas through the province. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. I rise pursuant to rule 11. I too have a petition urging the provincial government to stop the provincial GST until the people of Saskatchewan have an opportunity to pass judgement on it in a provincial election. These petitioners, Mr. Speaker, come from Edenwold, Melville, Tisdale, Saskatoon, Punnichy, and the city of Regina. It is my duty, pleasure, and honour to present this petition on their behalf.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, I rise too pursuant to rule 11 to present a petition to the Assembly on behalf of the 20 residents of Moose Jaw. These petitioners are urging the government to reverse its decision to impose the 7 per cent provincial GST. And it's my honour, sir, to lay these names on the Table on top of the many hundreds . . . or thousands that have also expressed their opposition to this massive unpopular tax.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Thank you, Mr. Speaker. I too rise pursuant to rule 11 to present a petition against the GST, the provincial GST. It's signed by 20 residents of Saskatoon including residents of my constituency. And it's a pleasure to give voice to their concerns.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Thank you, Mr. Speaker. I believe it important for Mr. Speaker to note the filing of petitions today. Mr. Speaker, I believe we had 20-some in 20 minutes. The proper process was established today, Mr. Speaker, as to the proper filing of petitions, and I would hope, Mr. Speaker, that a ruling would be in order as to the precedent established by the opposition today as to the proper form and delivery of oral petitions, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Order, order. Order, order, order. I have taken note of the hon. member's comments. The comments as presented are not a point of order.

READING AND RECEIVING PETITIONS

Clerk: — According to order, I have reviewed the following petitions that were presented on May 21, 22, 23, 24, and 27, and under rule 11(7) find them to be in order. 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 PST to goods and services.

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 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!

ORAL QUESTIONS

Effects of PST on Employment

Mr. Shillington: — My question, Mr. Speaker, is addressed to the Minister of Finance. Mr. Minister, in April the number of unemployed people in Saskatchewan was 3,000 higher than last year. The rate of unemployment went from 7.6 per cent to 8.2 per cent. The problem, Mr. Minister, is business investment. Business investment, as you well know, is a factor of business confidence, and the business community in this province is saying *en masse*, as is the public, that the PST (provincial sales tax) isn't going to create 5,000 jobs, it's going to destroy several times that number.

Mr. Minister, how long are you going to continue to deny

the obvious? This tax is a mistake and should be withdrawn. Surely that's apparent even to you.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, as it relates to unemployment or employment numbers in Saskatchewan, I think it's worth noting that for some several years now Saskatchewan has consistently ranked as having one of the lowest unemployment levels across Canada, Mr. Speaker. And indeed the Conference Board of Canada, for example, has confirmed that in recent days and are predicting similar trends on into the future.

In this province, Mr. Speaker, a healthy primary resource sector, whether it be agriculture, forestry, the mining sector, and a healthy manufacturing and processing sector can lead to a healthy service sector.

Under harmonization, Mr. Speaker, we will see real growth in those sectors, Mr. Speaker, because they will be more competitive because the tax that they now pay will be coming off their inputs, Mr. Speaker. We stand by our economic analysis of the impact on harmonization. We didn't pick numbers out of the air, Mr. Speaker, as the caucus researchers have done, Mr. Speaker, and the NDP (New Democratic Party), Mr. Speaker.

Yes, some sectors will feel a challenge as they move into harmonization. But, Mr. Speaker, part and parcel of our plan to stabilize and revitalize the economy of Saskatchewan is harmonization. Part and parcel of our plan, Mr. Speaker, is a \$1.3 billion payment for GRIP (gross revenue insurance plan) and NISA (net income stabilization account), and we stand by our plan, Mr. Speaker.

Mr. Shillington: — Thank you, Mr. Speaker. Mr. Minister, several minutes ago at the beginning of that response you said that unemployment was low. Mr. Minister, out-migration may be an adequate solution to you through unemployment, but it isn't to us and it isn't to the public of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Minister, you stated that this province would experience real growth. To put it mildly, Mr. Minister, there's some sceptics.

One of the group of sceptics is the Saskatchewan business alliance who said the following last week: Sales in the general retail service sector are down sharply. As a result, people have lost their jobs or have had their hours of work cut back due to these lower sales. PST is the last straw in an already underperforming provincial economy.

Mr. Minister, my question is: your Premier met with these people, told them there was going to be some changes. Mr. Minister, what changes are you considering for the PST.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, as it relates . . . when the hon. member makes the general comment

about business, I think he would be incorrect to draw a lot of conclusions and generalize about business in that way. We have never ever tried to suggest, Mr. Speaker, that there aren't some sectors in business that are now faced with collecting a tax that they did not collect before from consumers. One of those sectors, for example, the fast food industry, restaurants — no question their consumers are now faced with a second tax within three or four months.

It is worth noting though, Mr. Speaker, that every province with the exception of Alberta and B.C. do charge restaurant . . . have tax on restaurant meals now. So this is not some strange phenomena across Canada, Mr. Speaker. That would be the first point that I would make.

Secondly, Mr. Speaker, I gave the business people last week that I met with, the assurance that as we moved towards full implementation of harmonization on January 1, 1992, whether the issue was the municipal, university, tourism sector, the border shopping issue, that we would continue to work with and dialogue with these groups to make that implementation as smooth as possible, Mr. Speaker. That we have been doing. That's been part of the plan all along, Mr. Speaker. And that will continue to be the plan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Minister, in making this statement that the Premier did to this business group — that changes were being considered — he was clearly operating under the assumption or on the basis that not all the money which you said was necessary is necessary. And he was clearly saying to them, we can get some money somewhere else.

Mr. Minister, is there just the faintest possibility that you might now be looking to some elimination of waste and mismanagement for the extra money or is that too much to ever expect of this government?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — For example, Mr. Speaker, one of the kinds of issues that we identified some time ago and then reiterated about 10 days ago that had to be dealt with as we move to the January 1, '92 harmonization date, is the whole question of tourism, the tourism industry, and the potential for a tourism rebate not unlike the federal GST has for tourists, Mr. Speaker. We outlined that issue in our impact analysis study and I've referred that to some who have called about it. But that would be one example of the kind of issue that has to be addressed under full harmonization, Mr. Speaker. And we intend to do that because . . . and tourism is important to us and we do want to see (a) the jobs that are there maintained; and (b) new jobs created, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Shillington: — New questions. Mr. Minister, it is apparent to everyone, including I think many of your long-suffering caucus colleagues, that your Premier said something different to the business alliance than you're

saying here today. Short question, Mr. Minister: was it the business alliance who were misled, or is it us today who are being misled?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — No, Mr. Speaker, what's been said inside or outside this legislature or what's said in Saskatoon versus Moose Jaw versus Prince Albert, unlike the NDP and unlike your leader, our leader doesn't say one thing in Harris and another thing to the labour convention in Regina. He doesn't say one thing in Prince Albert about Cargill and another thing in Moose Jaw about Weyerhaeuser.

We are consistent, Mr. Speaker, and we don't go around just playing to the crowd, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — And on the issue of harmonization, it has been no different. Now at last count the NDP had something like 14 or 15 positions on this tax, Mr. Speaker. The latest one is that if they're elected, Mr. Speaker, which will never happen, that they'll repeal this tax. They've given us no indication of where they'll get the money from the GRIP and NISA, no indication of how they'll balance the books.

The plan stands, Mr. Speaker, and the plan is Bill 61 will be passed and full harmonization will come into effect on January 1, 1992, Mr. Speaker. That's our plan.

I say to the NDP opposite: come clean with business and come clean with farmers — what is your plan?

Some Hon. Members: Hear, hear!

Opposition to PST

Mr. Tchorzewski: — Thank you, Mr. Speaker, I have a question as well to the Minister of Finance who so desperately is trying to defend the Premier's reversal on this particular issue.

Mr. Minister, my question deals with the growing opposition throughout Saskatchewan to this tax. Every day there is growing evidence that shows people are organizing to urge you to withdraw this Bill and this tax proposal.

I just have here your information a story from the Saskatoon *Star-Phoenix* of yesterday which reads as follows. It said in the story today that border crossing at Portal alone have increased by 38 per cent over last year to this time, Mr. Minister. That surely is evidence to you that thousands are voting with their feet by taking their shopping dollars across the border, damaging our economy.

And further to that, Mr. Minister, there have now been over 100,000 citizens who've signed petitions saying that they can't afford your tax. In view of this and in view of the fact that local governments and chambers of commerce and libraries and virtually every Saskatchewan organization is writing you asking you to remove this tax,

what more do people have to do in this province to make you hear what they are saying? And will you finally listen and withdraw this tax before it does more damage to the Saskatchewan economy, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, we've been through the reasons as to why we are taking these budget measures a number of times. I will be the first to say again, Mr. Speaker, and to recognize that any time that you're making tax changes, especially tax increase, revenue increase, they are not popular, Mr. Speaker. I recognize that.

All of the decision, where you're cutting spending or raising taxes, are difficult kinds of choices, Mr. Speaker. And we've tried to do them in a fair and reasonable way. Why are we doing them, Mr. Speaker? We are doing them because it is imperative that we stabilize . . . We are doing them, Mr. Speaker, if the hon. members would permit me, we are doing them because, Mr. Speaker, we recognize that the economy of Saskatchewan because of trade . . .

The Speaker: — Order, order, order. Order, order. Order, order. Number one, hon. members are not giving the Minister of Finance the opportunity to speak. Number two, there are two members in the midst of involving our guests in the gallery which we've asked members not to do even if you're sitting in your seats. Number three, questions and answers are getting somewhat long and I ask for the co-operation of members on both sides. Let us continue.

Hon. Mr. Hepworth: — Mr. Speaker, as I was saying, why are we doing this? We are doing this because it's important, because of trade wars and low grain prices and the importance of agriculture in our entire economy, to stabilize and revitalize that rural economy and in so doing, our entire economy.

To do that requires this government to raise \$125 million to trigger \$1.3 billion in payments that will end up in businesses all over this province. That's why we are doing this. Anything else . . . any body who suggests they can cut spending and balance the books are being irresponsible, Mr. Speaker, and there's no other word for it.

Some Hon. Members: Hear, hear!

The Speaker: — Now I'm going to ask hon. members one more time. Clearly this isn't question period; it's clearly almost what one might term extensive debate. And I'm going to once more bring it to the attention of members. And if you don't co-operate, which will make for a better question period, I'm afraid I'll have to do what needs to be done.

Mr. Tchorzewski: — Mr. Speaker, I have a new question to the Minister of Finance who has yet to address the real reason why the government is imposing this tax, and that is the government's waste and mismanagement.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Minister, we have had

small-business operators in Saskatoon who have formed a coalition to fight your tax. Automobile dealers and suppliers have formed a coalition to fight your tax. Yesterday members of the opposition met with an organization from border communities near the United States border in this province who are saying stop this tax, because it's destroying their businesses.

In an editorial on Saturday . . .

The Speaker: — Order, order, order. I have just asked for the co-operation of hon. members. The hon. member is well into a lengthy preamble which, quite frankly, with no end in sight. And I'm asking him to put his question and then I will ask the Minister of Finance to respond also in a reasonable manner.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I was about to ask my question, and my question is this. Mr. Minister, in view of what the editorial in Saskatoon *Star-Phoenix* said yesterday, which said, having our socks taxed off, with every piggy bank in the province empty . . .

The Speaker: — Order, order. Order! Order, order. I'm going to ask the hon. member once more to put the question, and you may be getting there but I can't assume that. Put the question, please.

Mr. Tchorzewski: — Mr. Minister, where do we get the money to spend and create all these jobs? And in view of all this, Mr. Minister, in view of the evidence against your tax, will you once and for all provide the evidence that supports your tax instead of giving us a bunch of jingoism and rhetoric which means nothing and cannot be supported by any meaningful statistics?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well, Mr. Speaker, once again we see the NDP coming forward with their favourite old saw, and that is, Mr. Speaker . . . they've come forward with the same line that they've used in this House some several months now, and that is, when the issue is we need more money for health and education, when they said three and a half per cent this year wasn't enough, and they said we should spend more on health and education, they said, and where will we find it? — cut down on waste and mismanagement.

When the issue was we should lower the deficit and we should go further, they said, we'll find the money with waste and mismanagement. When the issue was GRIP and NISA, Mr. Speaker, they said, we'll find it through waste and mismanagement.

Mr. Speaker, these dollars that they apparently believe that can be saved by cutting down on paper and paper-clips have been spent so many times — so many times, Mr. Speaker. And I say to the opposition members, if they think that you can balance the books, reduce the deficit, fund the farm programs by cutting down on paper and paper-clips, I say that member is living in fantasy land, Mr. Speaker, because that's the reality, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question to the minister, Mr. Speaker. Mr. Minister, I'm not here talking about paper-clips; I'm talking about the overwhelming opposition by people of Saskatchewan against your tax.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Business people and farm people who don't believe your argument and workers are saying to you that they can't afford this tax and our economy can't afford it. That being the case, Mr. Minister, who then is this tax in aid of? Just who are you serving by forcing this new and this unfair and this unwanted tax on Saskatchewan people, and when will you start hearing what they've got to say and stop proceeding with this tax, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, the question that we have to put to the opposition is where do they stand, Mr. Speaker? When the issue is operating guide-lines for hospitals and schools, when we've said three and a half per cent is all the economy has to give and all the taxpayer has to give, they say, do more.

When the issue, Mr. Speaker, was funding for farmers and our Premier negotiated GRIP and NISA, they said, and we must do more. And, Mr. Speaker, when we put in place wage guide-lines, they have been ominously silent or the story has been one thing in Harris and another thing at the SFL (Saskatchewan Federation of Labour) convention, Mr. Speaker.

Mr. Speaker, we have a plan to balance the books, to stabilize and revitalize this economy. Our plan is unchanged, Mr. Speaker.

I say to the opposition, come clean with the public, come clean with the taxpayers. They are going to raise income taxes, Mr. Speaker, by 23 per cent if they are going to balance the books and fund those farm programs. That's what their plan is, Mr. Speaker.

Penalties for Non-Collection of PST

Mr. Koenker: — Thank you, Mr. Speaker. My question is to the Minister of Finance. Mr. Minister, you talked a few moments ago, just a very few moments ago about consulting with Saskatchewan small businesses and working with them regarding this provincial PST. Why then are you putting the gun to their heads with a 10 per cent fine and 16 per cent interest charges for taxes not submitted, when this tax isn't even law yet?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, as I said probably a month or two ago in this legislature, the process relative to tax arrears is unchanged and does not change with this Bill, Mr. Speaker. So I would just reiterate that point.

Secondly, as it relates to the outside expert advice, the business people that have helped us deal with the question of when GST became a reality and the whole harmonization question, Mr. Speaker, we put together an

expert advisory committee that included people like Dale Botting from the Canadian Federation of Independent Business, Mr. Speaker, who in fact, even though I see his name on the NDP's report, who himself as I understand it, was surprised that it ended up in that context, and quite frankly is in support of harmonization as are everyone who sat on that advisory committee, Mr. Speaker. And I think if you use words like, do not support harmonization, Mr. Speaker, would be to do damage to the primary and secondary sectors of our economy.

Some Hon. Members: Hear, hear!

Mr. Koenker: — A supplementary, Mr. Speaker. Mr. Minister, why are you fining Saskatchewan business people when you have no legal or moral authority to do so, when your PST is not yet the law of the land?

(1445)

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, the legal and moral . . .

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

Hon. Mr. Hepworth: — Mr. Speaker, the legal and moral authority to collect this tax is the same as it always has been. Very often Finance ministers very often on budget night will announce tax changes effective a certain time and day — very often midnight that night. At some later time in the session the legislation comes forward, is amended, Mr. Speaker, to reflect the tax changes that were announced.

We're doing precisely the same here. And if we weren't having bell-ringing and quorum calls and reading of petitions, the tax Bill would be passed, Mr. Speaker.

Some Hon. Members: Hear, hear!

Tax Revenue Increases

Mr. Kowalsky: — Thank you, Mr. Speaker. My question is also to the Minister of Finance and it has to do with your tax record of your government.

Mr. Minister, if you'll look at the record, it shows that since 1986 the personal income tax by your government has been increased by 337.9 million, sales tax revenue has increased by 298.2 million, gas tax has increased by 171.1 million. That's a total of \$807.2 million since '86. Now, Mr. Minister, add 440 million of this PST. That comes out to \$1.25 billion or \$1,250 for every man, woman, and child in this province since 1986.

Mr. Minister, people have reached the breaking point. When will you realize, Mr. Minister, that there is a limit to the amount people will pay in taxes in this province to your government?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, there have been revenue increases over the last five years; there's no

question about it, Mr. Speaker. And I would refer the hon. member to the budget document that was tabled entitled . . .

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

Hon. Mr. Hepworth: — This document shows, Mr. Speaker, in terms of where did that extra revenue go that was raised, what it clearly shows, Mr. Speaker, is the very large bar graph here shows by far and away . . .

The Speaker: — Order, order, order. Order, order, order. Order. Perhaps all hon. members could just follow the rules. Let the minister continue.

Hon. Mr. Hepworth: — Mr. Speaker, in summary, what this chart says in the budget document for all to see is that of the total increase in spending from '86 to '92, and the total increase was 1.191 billion, nearly 700 million went to health care, Mr. Speaker. Mr. Speaker, over 200 million went to education and over 145 million went to agriculture.

And I'll tell you why it went to those areas, Mr. Speaker. Because health and education and stabilizing our rural economy are important to this government and this party. That's why it went there, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, due to some significant delays in the Assembly over the last number of days in getting to government business, I'd ask leave of this Assembly to move directly to government motion.

Leave not granted.

Mr. Lingenfelter: — Mr. Speaker, in order to accommodate the government, I, with leave, would move that notwithstanding the rules of the Assembly and following the adoption of this motion, that this Assembly now proceed directly to consideration of Bill No. 55, An Act respecting Programs to Stabilize the Income of Agricultural Producers.

And I do that in order that we could move through this Bill today and help out the farmers with the GRIP and NISA program.

Leave not granted.

The Speaker: — Order, order.

POINT OF PRIVILEGE

Mr. Solomon: — Thank you, Mr. Speaker. Before orders of the day, Mr. Speaker, I rise to raise a question of privilege in accordance with the rules of this Assembly and in accordance with the parliamentary authorities. In conformity with the rules of this Assembly, Mr. Speaker, I provided to you earlier today advance notice of my intention to raise this matter. I would now like to state this matter before the Assembly.

Mr. Speaker, the current session began on April 11 and shortly thereafter on April 23, the legislative Public

Accounts Committee began its work as is the normal course of events in the Assembly. The Crown Corporations Committee has also normally begun its review of the financial statements of the Crown corporations shortly after the session has begun. This has been the practice, Mr. Speaker, traditionally and regularly since the committee was first created many years ago.

To date, Mr. Speaker, the official opposition has made repeated verbal and written requests to the chairman of this committee regarding the immediate convening of the committee. The chairman has refused to schedule meetings of the committee in order to begin its review of the financial statements of the Crown corporations of Saskatchewan.

The current session is now at day 34 and the government still has not given opposition members any indication of when the committee will meet to begin its review.

I remind members of the Assembly and the public that during the meetings of the Crown Corporations Committee, Crown corporations' officials attend with the minister responsible for that particular corporation to advise the minister on questions asked by opposition members regarding the expenditure of public money, taxpayers' money in essence, under the authority of each Crown corporation.

Mr. Speaker, this process has been a public accountability process and has been the procedure for three or four decades. Opposition members have raised important questions on behalf of taxpayers concerning the fiscal mismanagement and program accountability of the Crown corporations in question period on previous occasions. And government ministers, including the Deputy Premier, have referred those questions to the Crown Corporations Committee.

Crown corporations account for a significant percentage of government expenditure — about half of all government expenditures — and it's therefore imperative that their financial statements be reviewed in a timely way.

Mr. Speaker, I submit that members of this Assembly have a clear right to scrutinize the government's financial management of the Crown sector. And I submit that by denying members that right, the chairman and member for the constituency of Pelly has committed a breach of privilege.

I refer, Mr. Speaker, to Beauchesne's 5th Edition, article 16, which defines privilege as, and I quote:

. . . the sum of the peculiar rights enjoyed by each House collectively . . . and by Members of each House individually, without which they could not discharge their functions . . .

He states further, and I quote:

The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers." They are enjoyed by individual

Members, because the House cannot perform its functions without the unimpeded use of the services of its Members;

Accordingly, Mr. Speaker, I respectfully urge you to find that there is in this case a prima facie case of privilege, after which I shall move an appropriate motion in order that the legislature itself may take the appropriate action.

It would be as follows, Mr. Speaker:

That this Assembly censure the member for Pelly for having breached the privileges of this legislature by preventing members from exercising their right to scrutinize the financial statements of the Crown corporations in the Crown Corporations Committee.

Some Hon. Members: Hear, hear!

The Speaker: — I have received the hon. member's statement in my office, and I have prepared a response to it. However, I'm going to give the hon. member for Moosomin an opportunity to also state his views.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, as vice-chairman I'd like to add a few words and make a few comments regarding the motion presented by the member this afternoon, a motion which I do not believe is actually a question of privilege.

But I would like to comment on the fact that recently, Mr. Speaker, we've been called upon to make different rules and the Speaker of this Assembly certainly has the option and the leadership to give guide-lines and guidance to this House.

And also we've seen over the past number of weeks the attempts made by the Government House Leader to give some direction to the House, and the direction given by the Opposition House Leader as well. And when it comes to Crown Corporations Committee, I see no difference.

And I'd like to bring to your attention that the . . . I'd like to bring to your attention, Mr. Speaker, that the member from Pelly has been in discussion with the opposition leader for Crown Corporations and certainly has laid out a number of options and a number of rules and a number of guide-lines that they could work together with.

And to my knowledge, to my knowledge . . .

The Speaker: — Order, order, order. Order, order, order, order. If hon. members don't agree with what the hon. member is saying, that is their prerogative. However, I believe he also has the prerogative to state his case.

Mr. Toth: — And to my knowledge, Mr. Speaker, as such, the two members haven't been able to reach total agreement for the Crown Corporations to sit and meet at this time. And, Mr. Speaker . . .

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

Mr. Toth: — Mr. Speaker, I would suggest it is in the . . . or the proper channels are for the two members, the

chairman of the committee as well as the opposition committee chairman, to sit down and draw out the guide-lines for Crown Corporations to proceed. Thank you.

Some Hon. Members: Hear, hear!

Mr. Shillington: — I shall be brief, Mr. Speaker. Suffice it to say that the facts related by the member from Moosomin are not accurate — just not accurate. We will table the reports as soon as copies of the letters can be made.

I will make . . . want to comment, and that is that the member in his opening statement in some way related the failure to call Crown Corporation to the impasse over the PST. If the member is saying that they are using Crown Corporations as a lever to get the PST passed, then you've made our point. That is a gross abuse.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, I want to inform the Assembly that I do know that the member for Pelly has been working hard trying to get the Crown Corporations Committee to commence. I know that he has approached me, as minister of SGI (Saskatchewan Government Insurance) and SGI Canada, about appearing before the committee, and I'd indicated to him that I was ready to proceed at any time. And he indicated that if I was ready to proceed, that he would offer to the opposition that we proceed with SGI and SGI Canada. He indicated to me . . . and I truly believe that the opposition had some difficulty in that they were quibbling about who should proceed first. And I think that what you have here, Mr. Speaker, is not normal circumstances, not normal times. You have obstructionism, and I think they are bringing it in here again.

Some Hon. Members: Hear, hear!

(1500)

The Speaker: — I have heard members from both sides. I have heard members from both sides. I have received the hon. member's note, as I indicated earlier, and I have this response which I will now read at this time.

This morning I received from the member for Regina North West notice of the question of privilege which he is now raising. I thank the hon. member for giving the Chair notice pursuant to rule 6.

The issue raised pertains to the fact that the Crown Corporations Committee has held no meetings since the Assembly has reconvened its sittings on April 11, 1991, thereby allegedly breaching the privilege of committee members by denying them the right of scrutinizing the government's management of the Crown sector.

There are many instances in the past practice of this Assembly where standing and special committees have not held meetings for what some may construe as prolonged periods. This has never been, nor should it be, interpreted as an intention of committees not to meet.

The Chair is reluctant to intervene in proceedings and practices — Order! The member for Assiniboia-Gravelbourg and the member for Quill Lakes. The Chair is reluctant to intervene in proceedings and practices of committees unless the matter is before the Assembly . . . Order, order, order. The Chair is reluctant to intervene in proceedings and practices of committees unless the matter is before the Assembly through a report from the committee.

While there may be no report from the committee for the Chair to consider in this case, it is my view that this situation is not a matter upon which the Chair can or should take a position.

Once a committee has received a reference from the House, it is the responsibility of the committee to carry out its business as it sees fit. While the member may be concerned in the present circumstances, I have difficulty to find a breach of privilege of hon. members in the fact that the Crown Corporations Committee has not been meeting. The solution to this problem perhaps lies in negotiations among parties, which the Chair would encourage.

I therefore find that no prima facie case of privilege has been established.

Mr. Solomon: — Mr. Speaker, with leave I would ask this Assembly to direct the Crown Corporations Committee to meet this Thursday morning at 9 o'clock to pursue the business of the Crown Corporations Committee.

Some Hon. Members: Hear, hear!

Leave not granted.

The Speaker: — Order, order. Member for Battlefords, order. Order, order. Member for Wascana, order, order.

ORDERS OF THE DAY

MOTIONS

The Speaker: — Order, order, order. I am having great difficulty hearing the Clerk, and I need to be able to hear . . . The member for Regina North East — I need to be able to hear the Clerk — and the member for Regina Elphinstone. And I ask for your co-operation, as is usual in these matters.

Now I'm going to ask the Clerk to continue.

Resolution No. 13 — Role of School Boards in Combating Child Hunger in Regina and Saskatoon

Mr. Swan: — Thank you, Mr. Speaker, for the . . .

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

Mr. Swan: — Mr. Speaker, at the end of my remarks, I will be moving a motion commending the government's positive role in facing the challenges of child hunger in our province.

Saskatchewan is well known for the sense of community, the sense of caring that we have for each other. It comes from our history and is part of our heritage. From a time . . .

The Speaker: — Order, order, order. I'm going to have to once more intervene. Hon. members are not co-operating. They are not allowing the member who has the floor to proceed. I'm going to ask for their co-operation once again.

Mr. Swan: — Thank you, Mr. Speaker. From a time when people homesteaded here and families came from across the ocean and across the country to make a life in Saskatchewan, from the times during the dirty thirties when Saskatchewan families suffered incredibly harsh economic conditions, Saskatchewan people have developed a sense of caring and compassion for each other, and possess an underlying desire to see their friends and neighbours live in dignity.

And so the issue of child hunger in this province is of great concern to a lot of people. It is of such concern, Mr. Speaker, because people recognize that the hunger issue itself is a symptom of a far more complex problem. People recognize that a hungry child is a symptom of a much deeper social and economic problem. And the growing number of hungry children in this province shows us that the self-sufficiency and the dignity that comes with it are being threatened.

Mr. Speaker, this motion that I will be placing before the House today speaks to the role of our government in addressing the root cause of the hunger problem in Saskatchewan. It speaks to the steps that we have taken to help families in Saskatchewan become independent, to create a future for themselves. It speaks to the hard work and dedication of groups and individuals working with government in the battle against the root cause of hunger. And it speaks to the steps that we have taken to address the immediate problem at hand, which is hungry children.

The way we have addressed this issue seems highly appropriate and I think will prove to be effective. As I mentioned, we have addressed the immediate challenges of feeding hungry children. As members of this Assembly will know, communities across Saskatchewan have taken action to fight child hunger on their own. There have been innovative and courageous programs started in Saskatchewan, in the cities of Regina, Saskatoon, Prince Albert, Moose Jaw, and indeed all over the province. And those people know their communities and they know what works best in those communities to help the people that they are serving. So we felt that it was best to let those communities decide what would work for them, with the provincial government providing funding.

And I would like to take a moment, Mr. Speaker, to mention a few of the programs that are working in our communities to feed hungry children. The community schools nutrition project in Regina, Saskatoon, and Prince Albert, receives \$351,000 to establish and support daily school feeding programs in 18 inner city schools. The Prince Albert share-a-meal program which receives \$15,000 to hire a cook for Monsignor Ulinski's daily hot

meal program; the inner city pre-school program in Saskatoon which received over \$11,000 to implement a pre-school pilot project for inner city children, and offering them a nutritious snack and lunch; the Regina Native Awareness Inc. or, as it is more popularly known, Chili for Children, receive \$9,100 to meet the immediate needs of their funding program.

The list goes on, Mr. Speaker, and includes funding for the other and perhaps more important component in our strategy to combat hunger in our province, that is the education and training component.

In addition to directing funds toward community administered feeding programs across the province, we have engaged in a long-term program of welfare reform — life skills counselling and job training to really fight the root cause of hunger in our society. The root cause can only be dealt with through encouraging and assisting the less fortunate in our society to become independent and self-sufficient.

By strengthening our families and providing people with the tools to improve their lives and the lives of their families, we can hope to combat hunger. The PC (Progressive Conservative) government has always been committed to this goal of independence and self-sufficiency.

And, Mr. Speaker, this commitment to the future of Saskatchewan people from all parts of our society is part of the plan that we have for this province — a plan to stabilize our communities and create jobs and a future for Saskatchewan families; a plan to diversify and develop our economy and prepare Saskatchewan to fully benefit from the prosperity that lies ahead; and a plan that embraces — in fact demands — that all Saskatchewan people have the opportunity to lead productive and rewarding lives. That is why the second component of our battle against hunger is so important.

It is one thing to feed a child today. It is more important to ensure that future generations and future Saskatchewan families are given the tools to avoid repeating this situation.

So our response to child hunger has included more than just feeding programs. It has included an increase in the minimum wage last July from 4.50 per hour to \$5 per hour, to put more money in the pockets of low wage earners.

It has included an increase in the Saskatchewan Assistance Plan rates for children in June of last year. It has also included a \$200 per child family tax credit for low income earners. And it has included the establishment of school-based family centres in five urban communities.

We have also attacked the problem of chronic poverty through an innovative welfare reform project called Saskatchewan Works. This program has provided valuable employment and training for thousands of Saskatchewan Assistance Plan recipients across the province.

I just received some recent figures from my colleague, the

member for Rosthern, and I'll tell you, Mr. Speaker, they are quite impressive. Since this ambitious program of welfare reform was initiated in 1984, over 2,900 projects have been approved creating some 95,000 jobs — or 9,500 jobs. I'm sorry, Mr. Speaker — jobs for about 11,000 social assistance recipients in our province.

Those numbers are even more impressive when you consider the long-term effects. It's not just a matter of putting people to work for a few days or a few weeks; it's a matter of giving them the tools and the skills to find gainful, permanent employment.

A recent study done by the department showed that over a three-year period, only 14 per cent of the people who have been involved in Saskatchewan Works went back on to social assistance programs. So we're looking at an 86 per cent success rate — 86 per cent of the people involved went on to have productive lives and permanent jobs — and that is really the goal, Mr. Speaker. And I believe that any time you have an 86 per cent success rate in any program, it is indeed far beyond the average. Self-sufficiency, Mr. Speaker: a future, and an end to the bitter cycle of poverty.

Our approach to the problems that cause hunger in Saskatchewan is one of the long-term solutions, not just a short-term band-aid. Our approach is realistic. It's fair, and it offers real hope to the victims of poverty.

Mr. Speaker, the members opposite spend a great deal of their time criticizing and complaining about any effort that the government makes to address problems in Saskatchewan. And I would say that it is very unfortunate that the NDP has chosen to play politics and play on the hopes of people in need when dealing with this important and sensitive issue.

I ask you, Mr. Speaker, what have we seen from those members opposite in response to the cries of needy people?

Well as the member from Rosthern, our Minister of Social Services outlined so effectively in his budget debate, we saw an irresponsible member from Saskatoon University, the NDP Social Services critic, promising the sun, the moon, and the stars. And we heard a detailed list of promises that could not be kept — empty promises to people in need, Mr. Speaker. Promises that were worth approximately \$1 billion, Mr. Speaker, \$1 billion. And I say that is shameful; that is unforgivable, and that is so unfair, to hold out empty promises to people who are looking for hope.

Well, Mr. Speaker, I must say that I am proud to belong to a government that offers real hope to people and not empty promises — real hope of a job, real hope of a future, real hope of dignity and self-sufficiency, and real hope for a productive life for themselves and for their families.

(1515)

And, Mr. Speaker, I will tell you, and people across this province will tell you, real hope is worth more than a billion dollars worth of hot air any day.

With those remarks, Mr. Speaker, I would like to move the following motion. I move, seconded by the member for Shaunavon:

That this Assembly commend the Government of Saskatchewan for joining with the Saskatoon and Regina public and separate school boards to combat the root cause of hunger among children and other social problems of inner city families by providing life skills counselling and education, job training, legal aid, child and youth services, and by promoting self-help and community co-operation.

The Deputy Speaker: — Why is the member on his feet?

Mr. Toth: — Mr. Speaker, I move that this House do now move to government motions.

The Deputy Speaker: — Order. It doesn't require leave when it's in the middle of a motion that is superseding. A superseding motion does not need leave. Standing vote. Call in the members.

The division bells rang from 3:18 p.m. until 9:59 p.m.

The Speaker: — It being 10 o'clock, the House stands adjourned until tomorrow at 2 p.m.

The Assembly adjourned at 10 p.m.