

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Koenker: — Thank you, Mr. Speaker. Mr. Speaker, as you know there is a matter of very urgent public concern that's been occupying Saskatchewan people for the last number of weeks, the past couple of months in fact, and that is the matter of the provincial PST (provincial sales tax). And I have here a petition that raises public concerns regarding this provincial tax, and I'd like to read the petition:

The petition of the undersigned residents of the Province of Saskatchewan humbly sheweth:

That the Provincial Government does not have a mandate from the people of Saskatchewan to impose the major tax increase which would result from this proposed provincial GST.

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 had an opportunity to pass judgement on it in a provincial election.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Mr. Speaker, I have here a petition with the names of 20 individuals from the city of Weyburn who are opposed to the provincial PST.

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, I too rise pursuant to rule 11 of the Assembly to present a petition to the Assembly on behalf of some residents of Saskatchewan. These petitioners are urging the government to reverse its decision to impose the 7 per cent provincial GST (goods and services tax). And these petitioners, Mr. Speaker, are from Regina, Pense, Prince Albert, Southend, and Debden. And it's my honour, Mr. Speaker, to lay these names on the Table before you. Thank you.

Some Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. I rise pursuant to rule 11 to present a petition, the prayer of which is:

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.

The petitioners on the first sheet, Mr. Speaker, are all from the Queen city of Regina, and on behalf of the 20 signatories, it's my duty and pleasure to table this petition.

The second petition I have with the same prayer, Mr. Speaker, has again 20 signatures, this time predominately from Tisdale, but with some signatories from Star City,

Prince Albert, Zenon Park, Melfort, and Arborfield. On behalf of these 20 people, it is my pleasure to table the petition today. Thank you.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Thank you very much, Mr. Speaker. I have here today, Mr. Speaker, a petition that reads in part:

That the Provincial Government does not have a mandate from the people of Saskatchewan to impose the major tax increase which would result from its proposed provincial GST.

And it urges 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.

And, Mr. Speaker, there are some 43 residents of Saskatchewan listed on this petition, coming from the communities of Regina; from Saskatoon; I notice there's one here from Peter's Hardware from Ogema, Saskatchewan; and from other communities in the province of Saskatchewan. On behalf of these petitioners, Mr. Speaker, I would lay this petition on the Table at this time.

Some Hon. Members: Hear, hear!

READING AND RECEIVING PETITIONS

Clerk: — According to order, I have reviewed the petitions presented on May 28, 29, and 30. I find that the petition presented by the hon. member for The Battlefords on May 28 to be irregular in form, pursuant to rule 11(6) and (7); therefore it cannot be read and received.

The following petitions are 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;

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 stop the provincial GST;

And of certain residents of the province of Saskatchewan praying that your Honourable Assembly may be pleased to urge the Provincial Government to properly fund and provide in-patient facilities such as Myers House in Regina.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, if I could just get a point of clarification on the petitions that we have thus read, and I wonder, Mr. Speaker, if we could have agreement of the House to strike off some of the names here. And I just have before me one from Saddam Hussein; The Dude From Winnipeg, Manitoba; Elmer Fudd, and a few others. And I wondered, just to be fair, if we could have those individuals, ones which are blatant abuses, stricken from the record.

The Speaker: — Is leave granted? Order, order. Order! Order, order, order.

Now the Government House Leader has in essence asked for leave to remove certain names from the petitions. Is leave granted?

Leave granted.

NOTICES OF MOTIONS AND QUESTIONS

Hon. Mr. McLeod: — Mr. Speaker, I give notice that I shall on Tuesday next move first reading of a Bill respecting an Act to amend The Medical Profession Act, 1991.

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Hon. Mr. Kopelchuk: — Thank you very much, Mr. Speaker. Mr. Speaker, I would like to introduce to you and members of the legislature with great pleasure, the 16 students from the grade 8 class in Preeceville, and they're located in the west gallery, Mr. Speaker.

I said it was a great pleasure because I had the honour in March of presenting an environmental recognition award to this class. And I wanted to inform the legislature that this class has been instrumental in raising the environmental awareness of the Preeceville area and area around Preeceville.

I might inform the legislature that they have purchased and protected an acre of Amazon rain forest, and have developed a very successful paper recycling program in the town of Preeceville. And I really want to congratulate these students for their foresight and commitment to preserving our environment.

Mr. Speaker, this class is accompanied today by their teacher, Mr. Bill Wright. They have four chaperons with them: Laurie Meberg, Eugene Gulka, Dianne Serhan, and Mildred Prestie. And they're accompanied by their bus driver, Neil Fenske.

I would like to inform the class that I will be joining them for pictures and refreshments at 10:30, and I look forward to meeting and talking with you and possibly answering some questions for you. I'd like to ask the members of the legislature to please join me in welcoming these students.

Hon. Members: Hear, hear!

Hon. Mr. Lane: — Thank you, Mr. Speaker. It's with a

great deal of pleasure that we welcome to the Assembly some 52 grade 5 students from Lumsden Elementary School. They are accompanied by their teachers Ray Tourney and Mrs. Terry Reiger, their bus driver, Stan Shakowsky.

Mr. Speaker, many will of course recognize that Lumsden is usually here each year and we always welcome them and enjoy their participation. I look forward to meeting with the students for questions and refreshments after question period. Please welcome these students, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, on behalf of my colleague, the member from Saltcoats, I'd like to introduce to you and to the members of this Assembly, 29 grade 5 students from the community of Langenburg, Langenburg High School. And they're accompanied today by teachers Mrs. Okrainetz and Mr. Haczekewicz — and I trust I pronounced the names right — as well as bus driver Mr. Bergman.

We'd like to welcome you to the Assembly this morning. I trust you have had an enjoyable time thus far and will have a safe trip home. As well we look forward to meeting you at 11 a.m. Would the members welcome this group of students from Langenburg.

Hon. Members: Hear, hear!

Hon. Mr. Neudorf: — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to members of this House in the province of Saskatchewan, a group of young people in the west gallery. They call themselves the Regina Youth Love Life Group, and the chairpersons of this group and who are leading this group of young people, teenagers, is Dana Thompson and Len Parker.

And, Mr. Speaker, it is this group that we see out on the lawn demonstrating their desire for continued life. They are using the democratic process in this form to make their views known. And as we know, Mr. Speaker, this is a momentous decision-making time in the province of Saskatchewan along this issue. And if I could just use their words, Mr. Speaker, they say that: we, the youth of today and adults and voters and leaders of tomorrow, care about the unborn and will stand for their right to life.

And I would ask all members, Mr. Speaker, in this legislature today to welcome this group as they are demonstrating for the democratic right that they have.

Hon. Members: Hear, hear!

The Speaker: — I would just like to bring to the attention of hon. members that while we are pleased to have guests introduced, I think it is the responsibility of members to introduce them in such a way that we don't get into what may be construed as debate — is not the forum for it. And I ask hon. members to introduce members in the proper manner.

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr.

Speaker, it gives me great pleasure to introduce to you, and through you to the members of the Legislative Assembly, Miss Ruth Clark of Regina. Miss Clark was formerly a school teacher for some many years in our community, but now she is a very active and keen student, especially of current affairs. And I'm pleased that she's able to be here today to witness the proceedings, and I would ask you and all members to join with me to extend her a warm welcome.

Hon. Members: Hear, hear!

ORAL QUESTIONS

RCMP Investigation Relating to GigaText

Mr. Lautermilch: — Thank you very much. Mr. Speaker, today I'd like to address my question to the Premier, the man who is responsible for the overall conduct of this government, and who indicated last Wednesday at the chamber of commerce forum he was anxious to get back to questions. So I have one for him today.

Mr. Premier, according to a story in today's *Montreal Gazette*, Senator Michel Cogger is being investigated by the RCMP (Royal Canadian Mounted Police) for criminality in regards to influence peddling to your government in the GigaText affair.

Mr. Premier, we must assume that the RCMP knows what it's doing given that this is a very serious allegation against a senator of Canada. Would you tell this House who in, or connected to, your government had primary responsibility for dealing with Senator Cogger in regards to the GigaText deal? Would you answer that today, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I am not familiar with the matter; I assume it's before the courts. I'll take notice of the matter.

Mr. Lautermilch: — Mr. Speaker, I have a new question for the Premier. Mr. Premier, clearly the RCMP is pursuing this matter. And they have indicated that they are speaking with . . .

The Speaker: — Order, order, order. Order. Order, order. The hon. member has taken notice of the question. I wish to bring that to the attention of the member and I ask him not to repeat the question that the member has taken notice of.

Mr. Lautermilch: — Mr. Speaker, I have a new question, and I address this question again to the Premier. Mr. Premier, clearly this investigation is ongoing, as reported in the *Montreal Gazette*, and I ask you again: Mr. Premier, who in your cabinet or former cabinet have these people been speaking with? Can you answer that, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I believe I indicated, Mr. Speaker, that I would take notice of the question.

Mr. Lautermilch: — Mr. Speaker, I have another question

for the . . .

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

Mr. Lautermilch: — Mr. Speaker, I have another question for the Premier, and I'd ask the Premier if he would canvass the front bench of his caucus and find out if any of those people have been questioned by the RCMP with respect to the Cogger affair. Would you ask your front-benchers, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, the government has made it clear, and I as Minister of Justice and Attorney General have made it clear, that we do not interfere with police investigations. We have followed that practice. Whether it applies to members of any political party, Mr. Speaker, there's never been any interference. And I'm sure the hon. members are quite aware that there has been no interference, as I said, no matter what political party members are being investigated by the police.

Mr. Lautermilch: — I have a new question for the Premier. Mr. Premier, I want to quote from the *Montreal Gazette* of today. It quotes Mr. Couture, the RCMP investigating officer, as saying he has questioned about 75 people including ministers, former ministers, and deputy ministers of the federal government, the provincial governments of Quebec, Saskatchewan, sir, and Alberta. I ask you again: would you confirm and would you indicate which members or former members of your cabinet have been questioned by Mr. Couture?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I do find the question somewhat interesting in that we have . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — We have stated consistently, Mr. Speaker, that the police and the prosecutor should be able to act independently and carry out their duties appropriately, professionally, and without interference from politicians.

I do find it interesting that the hon. members opposite, if they were to follow that question and be fair and consistent about it themselves, whether in police investigations involving members of perhaps their political party, whether they're prepared to publicly announce which ones were consulted by the police.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — I have a new question for the Premier. And I want to say, Mr. Premier, it's not members of the opposition who have been indicated that they were speaking to. It's cabinet members and former cabinet members of your government that got us into this GigaText mess that are being investigated. Mr. Premier, I want to say that I don't think you've ever grasped the significance of the GigaText affair. Either that or for your own reasons, you want it down-played.

Mr. Premier, GigaText cost the people of this province five and a half million dollars. You and your cabinet ministers were paying for condos and company jets. You were flying around in planes, living off of public funds, driving Mercedes, trips to San Francisco. And now we've got a criminal investigation of a senator, a colleague of your campaign manager, an architect of the GigaText . . .

The Speaker: — Order, order, order, order. Does the member have a question?

Mr. Lautermilch: — Mr. Speaker, my question to the Premier is this: when are you going to come clean? When are you going to stand up in this House and answer some questions about this gigamess you got the province into? When are you going to answer?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I note that the . . .

The Speaker: — Order, order, order. I would like to say this, that the hon. member from Kelvington-Wadena is interfering, and I'd like to ask him particularly to refrain at this time as well as all other members, as well as all other members.

Hon. Mr. Lane: — I note, Mr. Speaker, that the hon. member did not take up my offer in the previous answer to make public those members of his political party that perhaps were questioned by the police in other matters.

Having said that, Mr. Speaker, the public of course well remembers that the government has indicated that GigaText certainly was a mistake, and mistakes will be made. But that in fact the investment in Nabu, Mr. Speaker, by the NDP in an Ottawa company, lost considerably more than the investment in GigaText, Mr. Speaker. And there, Mr. Speaker, not one job was created in Saskatchewan, not \$1 was spent in Saskatchewan. In Nabu, Mr. Speaker, the NDP invested in today's dollar nearly \$14 million in an Ottawa company for the investment of Ottawa people, without creating one job in Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Mr. Speaker, I have a final question to the Premier. Mr. Premier, will you give this House your commitment that you yourself will bring back the answers as to who is being investigated by the RCMP? Which one of your cabinet ministers, former cabinet ministers, or deputy premiers — or is it you yourself?

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. I've asked the hon. member not to repeat a question of which notice has been taken. He has done that and I have reminded him of that and I will go to the next question.

Sale of Shares in Cameco

Mr. Solomon: — Thank you, Mr. Speaker. My question is to the Minister for Economic Diversification, who is also responsible for privatization in Saskatchewan. Mr.

Minister, the people of Saskatchewan are very interested to know the government's plans which were announced yesterday to sell off Cameco. The people of this province know from past experience, Mr. Minister, that every time your government privatizes, taxes go up, the debt increases, and services are cut back.

Mr. Minister, my question is this. Could you tell us which of the options this privatization will lead to: will taxes increase even more; will the debt increase even more; or will Saskatchewan people lose even more services? Which of those three, Mr. Minister, will it be this time — or all of them?

Some Hon. Members: Hear, hear!

Hon. Mr. Swenson: — Thank you very much, Mr. Speaker. I look forward to questions about Cameco because Cameco, as most people in Saskatchewan and Canada realize, is a very large, integrated company that happens to do a lot of things for the people of Saskatchewan.

What we have announced yesterday, Mr. Speaker, was a treasury share offering. It wasn't the shares of the Government of Saskatchewan or the Government of Canada, but a treasury share offering by Cameco that will be used by that particular corporation to position themselves for a lot of investment and opportunities in our province.

Cameco has at the minimum, a half a billion dollars worth of projects to build in our province in the next few years, Mr. Speaker. And it is a wise corporate decision, I think, to go forward to the public to garner some investment capital to do these projects, rather than relying upon taxpayers.

And I think the initial idea behind the amalgamations of SMDC (Saskatchewan Mining Development Corporation) and Eldorado Nuclear, Mr. Speaker, was to do that — get a board of directors that would position this particular company to bring benefits to Saskatchewan and Canada. And that's exactly what they're doing. Cameco in all regards has been private for many years.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, a new question to the same minister. Mr. Minister, everyone knows, who has ownership of shares, that when you issue treasury stock you dilute the balance of the shares that are held by the taxpayers in the corporation.

Mr. Minister, the people of this province want to know what the details are of this privatization. How much further will their equity be diluted? What are the details of this deal, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Swenson: — Mr. Speaker, if one talks about dilution of this particular company, one only has to take the comments of members opposite who would shut down the uranium industry altogether. Now there you would have the ultimate dilution.

Some Hon. Members: Hear, hear!

Hon. Mr. Swenson: — Mr. Speaker, Cameco has gone to the market with treasury shares in the amount of 100 to \$125 million. This is a very small percentage of the total shares available. The ultimate ownership if you will, Mr. Speaker, by the senior partners, is still in the hands of the people of Canada and the people of Saskatchewan. This is a very small percentage. It may go as high as 15 per cent. But it will garner that needed capital that Cameco needs to, for instance, fulfil, fulfil, Mr. Speaker, the commitment to go to 50 per cent native employment by 1995.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, a new question to the same minister. Mr. Minister, I shouldn't have to remind you that the people of this province own the 62 per cent of Cameco, not the cabinet of your government. And for you to say . . . what you are saying today, Mr. Minister, is the people of this province have no right to know the details.

Mr. Minister, for you to say that really is contrary to all of the laws of the land. This is an investment of the people of this province. I ask you again, Mr. Minister, on behalf of the public, what are the details of the privatization of the Cameco deal?

Some Hon. Members: Hear, hear!

Hon. Mr. Swenson: — Mr. Speaker, these questions are absolutely incredible from a party that has stated on many occasions that they would shut down that particular industry in this province. Now Cameco and the board of directors of Cameco have positioned that company to take, for instance, as I said before, native employment to 50 per cent of all other operations by year 1995.

Cameco are into uranium mining, gold mining. They're looking for diamonds. They are doing many things to build this province, Mr. Speaker. Cameco, like this government, have a plan to employ and build inside the province of Saskatchewan. That party over there has stated they would close the whole darn thing down. For that member to stand and say: what are you doing? — I think it's a little bit hypocritical, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, a new question to the minister. In light of your government's assertion that you need to hit the people of this province up for even more tax money than you already have, and given your record of privatizing or selling off assets while increasing taxes and increasing debt and cutting services, what assurances, Mr. Minister, what assurances do you have for us that this time you will make a good deal on behalf of the people of this province? Or do you need an extra \$440 for each man, woman, and child in this province in new taxes, increased because like your potash sell off, you intend to lose the province a great deal of money on this deal like other privatizations?

Some Hon. Members: Hear, hear!

Hon. Mr. Swenson: — Mr. Speaker, I will assure the member of one thing. We will not close down any mines.

Some Hon. Members: Hear, hear!

Hon. Mr. Swenson: — Mr. Speaker, by allowing people in Saskatchewan and Canada, indeed around the world, to buy shares in this particular corporation, we are enhancing the value of Cameco. And when the value of Cameco is enhanced the people of Saskatchewan, as the largest shareholder in Cameco, have their value enhanced. A company that is positioning itself to spend in excess of a half a billion dollars inside our province in the next few years, employing significant numbers of Saskatchewan people in new enterprises, I say enhances the value of that company to this province.

And that member over there is using the usual scare tactics of the NDP (New Democratic Party) Party for their own political gain.

Some Hon. Members: Hear, hear!

Proposed Aircraft Manufacturing Plant in Saskatoon

Mr. Koenker: — To the Minister of Economic Diversification and Trade, Mr. Speaker. Mr. Minister, as you know yesterday CBC (Canadian Broadcasting Corporation) news reported that your federal counterparts have expressed concern over past lawsuits Promavia has had here in Canada, and also expressed concern about the Portugal deal Promavia has for its jets, a deal which hasn't materialized yet although it was to have been completed by this time.

Can you answer these questions today, Mr. Minister, and clear up this uncertainty for the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Well, Mr. Speaker, there's something a little unclear here. Does that member for Saskatoon want jobs in Saskatoon or does he not want jobs in Saskatoon? That's the first question that has to be raised here. This government has worked hard to bring aeronautics manufacturing jobs to Saskatoon. We are working hard to convince the federal government to proceed with this particular project, and now the member for Saskatoon criticizes the project and says, well maybe we shouldn't have these jobs in Saskatoon. Could the member for Saskatoon please make up his mind, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Supplementary, Mr. Speaker, to the same minister. Mr. Minister, what we want are the facts. Does Promavia have contracts signed and deposits made for any of their aircraft?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, I don't know about their contracts. I'll tell you this: you can't sell airplanes you don't have and you can't sell airplanes that you can't

build. First of all you have to have a factory. What this province needs is an airplane factory. Then we can sell airplanes. We can't sell air; we're selling airplanes.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Supplementary to the same minister, Mr. Speaker. Mr. Minister, you just said you don't know about the contracts. Perhaps you can tell us about the dealings Promavia has had with the Government of Nova Scotia back in 1986 when it went to set up a factory there and it never happened. Have you contacted the Government of Nova Scotia, and if so, can you tell us what you found out there?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, this is the NDP telling one story in Regina and another story in Saskatoon. A federal MP (Member of Parliament) who is NDP, is in favour of Promavia in Saskatoon. And the Saskatoon member is in favour of jobs in Saskatoon when he's in Saskatoon. But when he's in Regina he's against jobs in Saskatoon. The member for Saskatoon should decide who he is serving. Is he serving the NDP Party or is he serving his constituents?

Some Hon. Members: Hear, hear!

Closure of Group Homes in Prince Albert

Mr. Kowalsky: — Mr. Speaker, I have a question to the Minister of Social Services and it regards Prince Albert group homes. Mr. Minister, the Prince Albert Group Homes Society has indicated that it plans to shut down its four group homes in Prince Albert and deprive 26 residents of accommodation, due to their inability to reach agreement with your department.

Since it was your government that decided to close North Park Centre in Prince Albert, Mr. Minister, and move some of the residents to a group home, can you explain what you intend to do with these residents who will find themselves without a place to live as of June 30?

Some Hon. Members: Hear, hear!

Hon. Mr. Neudorf: — Mr. Speaker, I think what we have to do is analyse the question in the way that the member opposite from Prince Albert asked the question.

He states: it was our government that decided to close North Park. Well, Mr. Speaker, I'm very proud to say that he is absolutely correct. We closed North Park and make no doubt about it. That member and that government at the time, if they would have had an opportunity, North Park would never have closed, Mr. Speaker. And that question that the member directed to me is indicative of that. And I am very, very proud to say, Mr. Speaker, that yes, under the former minister of Social Services North Park was closed.

And I suggest to the member opposite that that is the best thing that has ever happened to the residents of North Park and in particular those members of Prince Albert. The reason I say that, Mr. Speaker, is that the

de-institutionalization of the public who are disabled, either mentally, physically, or both, is the objective that we have had.

We have the objective, Mr. Speaker, of giving those citizens the quality of life, the realization of the potential that is within people, that can be realized in a group home setting as opposed to being an institution. So, Mr. Speaker, yes we did close North Park.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Speaker, the member admits to closing North Park Centre. And I tell you, Mr. Minister, you closed North Park Centre against the wishes of the citizens of Prince Albert, against the wishes of family members who had people in North Park Centre, and against the wishes of the workers. And now you're going to demolish the building to destroy the evidence of your mismanagement of North Park Centre.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — But that's all very small comfort, Mr. Minister, of the people that you've moved from North Park Centre to the group homes, and now where are they going to go? Now where are you going to displace them? Mr. Minister, do you remember that as a result of your closing North Park Centre the death rate went up to 13 from 2 to 3 a year? That's something to be proud of.

Mr. Minister, are your priorities so twisted . . .

The Speaker: — Order, order, order. Order, order. Order, please. Order. Order. Deputy Premier and the member for Elphinstone . . . the member for Regina Elphinstone and the member for Prince Albert, the member for Meadow Lake, and the member for Assiniboia-Gravelbourg, would you settle down and allow the question period to proceed.

Secondly, I ask the hon. member to get to his question.

Mr. Kowalsky: — Mr. Speaker, I'm asking the minister if he would reverse his priorities and stop some of the spending on advertising so that he could find some funding for the handicapped people in group homes in Prince Albert.

Some Hon. Members: Hear, hear!

Hon. Mr. Neudorf: — Mr. Speaker, I can say quite definitively, no we will not reverse our decision and open up North Park once again. We will not do that. We have embarked upon the process of the de-institutionalization. We will continue on that, Mr. Speaker, because it is the right thing to do.

Now I know the members opposite would open North Park again if they had the right — because they would be following the wishes of their mandate, which is CUPE (Canadian Union of Public Employees) and some of these other labour organizations and union organizations — that they would like to do. But, Mr. Speaker, we were following the wishes of the people. We were following the wishes of the Saskatchewan Association for

Community Living. We have the endorsement of the Canadian Association for Community Living to continue on in our community living project. And we will continue on, Mr. Speaker.

And for the member's edification, I can assure him that no resident of these group homes will be left without a group home. They will be taken care of. As a matter of fact, Mr. Speaker, when the House closes this afternoon I intend to go to Prince Albert.

The Speaker: — Order. Now we have . . . Order. We have two members here entering debate. It's not a question and answer; it's debate. And I ask the hon. member to shorten his question and to shorten your answers.

Mr. Kowalsky: — Mr. Minister, I hope that the result of your meeting will be a positive one, that you will be funding them.

Mr. Minister, are you aware that part of the problem that the Prince Albert Group Homes Society is facing is the home's food budget? They've already stretched the food budget to \$4.50 a day per resident, and now it's being stretched even further because of the numerous grocery items which have . . . are subject to your PST, your provincial PST.

Your tax, your tax, the tax of the this minister is partially responsible for their financial problems. Would you not admit, Mr. Minister, that your PST has had a negative impact on all sectors of society, including those disabled people in group homes?

Some Hon. Members: Hear, hear!

Hon. Mr. Neudorf: — Mr. Speaker, I want to reiterate that I will be going to Prince Albert. I will be meeting with the board of directors, the elected board of directors of the Prince Albert Group Homes Society, and yes, I expect that the outcome of that meeting will be on a positive note, but I'm certainly looking forward to that meeting.

I might add, as far as the finances are concerned, the \$4 that the member is operating . . . or suggesting is a standard fee set across the province. And the funding for the Prince Albert group home is a standard fee, a standard arrangement across the province. All other group homes across the province seem to be doing reasonably well. Of course they could always use more money, but they're working within the same framework as the group in Prince Albert.

And so I look forward to meeting with the group in Prince Albert this afternoon to see what kind of a solution we can give to this situation.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Prior to orders of the day, I'd seek leave of the Assembly to move directly to adjourned debates, Bill No. 61.

Leave granted.

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 61

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that **Bill No. 61 — An Act to amend The Education and Health Tax Act (No. 2)** be now read a second time.

Mr. Kowalsky: — Mr. Speaker, I had talked for some time last evening about the impact of this tax. I spent considerable time making the argument that the economic impact of this tax is going to be very much a negative one.

Before I get back into my remarks and deal with some of the other things I wanted to mention, I would like to turn to an anecdotal bit of information that I got that I would like to advise the minister on with respect to this tax. And this is with respect to the social impact that it will have in some of the areas of this province.

Mr. Speaker, I happened to be in conversation with a small-business person in Prince Albert, asking him about the impact of the tax. And after he told me about the different . . . how it's going to impact on him and his community in a business sense, he said to me, he said, but all of those things aside, the fact that I'm now sending in \$1,300 a month where I used to send in \$300 quarterly on confectionery to the taxpayer, and the added bookwork, he says that's still minor.

He said, one of the things that really bothers me about this tax is what happens when I get two kiddies walking into this store — or one and three kiddies walking into this store, and one of the youngsters is of aboriginal background and one of the kiddies is a white. And he said I have to charge the white child 71 cents for a bottle of pop and I have to charge the Indian child 68 cents for a bottle of pop. And he said to me, and it really took me by surprise, Mr. Minister, because I . . . it always occurred to me that any type of racial tensions that might have arisen were something that we had inherited, that had been handed down, and we were trying to even out.

(1045)

He said can you imagine what effect this is going to have on the attitudes of those children? For example he said an Indian child would pay 75 cents for a bag of chips whereas a white child has to pay 80 cents. And then they go back to school.

Mr. Minister, that little anecdotal made a great impact on me. And I want to pass it on to you in all sincerity, because I think it is your objective and my objective, and I think it is everybody's objective in this Assembly, that we should be doing what we can do to promote harmonious relations between the aboriginal people in our society and the white people in our society — people of all colours and races. And here we have a tax which is building into the system, building right into the system

something that is going to be very, very hard to overcome, very difficult to overcome.

It's not a very expensive item and of course to you and me 4 cents doesn't sound like much. But to those youngsters who are six years old and seven years old and very impressionable, at that age it's going to put something into their minds and it puts questions into their minds about the concept of fairness.

And, Mr. Minister, I would ask that you look into that very, very carefully and try to work out a way of dealing around it. The best way to deal around it actually is to pull back the tax on those food items. That is simply the best way and that is what the opposition has been asking. We're asking you to axe the tax.

Mr. Speaker, I want to turn now to some of the remarks that I had discussed and was planning to discuss last night.

The gist of the remarks are this, and that is that I'm asking this government to listen to the people of Saskatchewan as they have spoken and are continuing to speak through petition to this legislature, as they are speaking on open-line shows, as they are speaking in letters to the editor, as they are speaking face to face to their MLAs, as they have already spoken to many members of the government side and members of the opposition side — to listen to the people, to the 80 per cent of the people who oppose this PST, and withdraw it.

And I would add to the minister that he should listen more carefully to several of his caucus members — to the majority, I would suggest, of his caucus members who advised him against bringing on this tax. He would do well to do so. He's placing them under a lot of pressure, but that's not the big point. It's the pressure that you're putting on the province of Saskatchewan and the economic picture of the province of Saskatchewan, what it will do to the province of Saskatchewan.

Tax freedom day in Saskatchewan is now around the middle of June. That means, Mr. Speaker, that the average worker in Saskatchewan has to work from January to June before any of the money that he earns can be classed as his own. All the other money earned until that day goes to pay for taxes. This PST extends that beyond the middle of June. This PST has that effect because it's going to take \$440 million away from the taxpayers of Saskatchewan.

Yesterday I made the point that their argument that there was going to be some type of a positive job economic indicator . . . economic impact in terms of jobs is completely false. The reason it is false, Mr. Speaker, is because this tax will be taking a lot of money out of the portion of the economy that is characterized by consumption, that is characterized by services — health, education, banking, whatever, in that particular area. It will hurt that sector because it takes money away from it.

It may have a minor, minor effect, positive effect on the manufacturing sector. And if you add what you might gain in the positive sector, and I used the example yesterday of a slight gain of about 760 jobs, to the negative impact on jobs it will have in the other sector,

the net loss is more likely going to be very close to 7,500 jobs.

And that is the basis of the argument that I place before the government, and I've yet to see, I have yet to see an argument that detracts from that, Mr. Speaker.

I want to spend a few minutes, Mr. Speaker, talking about the previous tax record to put this tax into perspective with it. This tax, I say, represents just as badly a broken promise as previous taxes represented broken promises of this government.

We might remember that in 1982 this government made promises to cut income tax by 10 per cent. But what did they do? Instead they increased income tax and they gave us the flat tax. They promised in their campaign literature repeatedly that they were going to eliminate the provincial sales tax. Instead of that we saw it increased from 5 per cent to 7 per cent. And now here we see an extension of that broken promise, the tax being expanded, its base being expanded to take another \$440 million away from the people of Saskatchewan.

They promised that they were going to eliminate the gas tax, Mr. Speaker, but that also . . . we found that that promise had been broken because the gas tax had been reinstated and in fact increased.

Now, Mr. Speaker, that is why the people of Saskatchewan are asking the question: how much taxation can we take? Is four and a half billion dollars of revenue not enough? Surely the government has got to learn to live within its means. Surely this government does not need to grab another \$440 million which most of us would have a hard time shelling out at this time.

Mr. Speaker, while increasing taxes this government has also at this same time incurred a deficit. Now you'd wonder, Mr. Speaker, what their relationship is. I think it was probably best described by a man who's been Premier of this province since 1982, when he stated that deficits are just a deferred tax that must be paid by future generations. That was stated in 1982.

I think it's educational, Mr. Minister, and Mr. Speaker, to enter into the record what the government record is with respect to deficits. In 1982, I have a statement here signed by the hon. Bob Andrew when he was the minister of Finance, and when he took over the books from the Blakeney government he signed a statement which said that on a combined basis the Consolidated and Heritage funds in the province of Saskatchewan were . . . amounted to — and I omit a couple of figures here — but the end line is that they ended up with a combined surplus of 139.3 million. That was the combined surplus of 139.3 million.

Well, Mr. Speaker, they entered with that positive figure. And since then what has happened? Well the deficit has increased year by year by year. It started right in 1983 with a \$227 million deficit, and then another 331 was added to that in '84. In '85 it was added. In '86 there was another large sum added. And in '87, just to top things off — this was after the election — we found out that the deficit was going to be \$1.32 billion, another 1.2. These

are all added. We are getting a cumulative sum here, Mr. Speaker. So that by the end of this year, the deficits that have been accumulated by this government are up to 5.2 billion.

Deficits are nothing, the Premier said. Deficits are just a deferred tax that must be paid by future generations. So they've been taxing us all along, Mr. Speaker, in a method called the deficit.

Well this cumulative deficit is costing us a pile of money. At this stage the interest on the deficit alone amounts to half a billion dollars a year. And fortunately, interest rates are starting to drop off or this would be costing us more like 6 or \$700 million a year.

One of the difficulties in paying for the deficit and using today's taxes to pay for the deficit, is that while this government was mismanaging the province, it was noticed by the bond-raters in North America. And we found that for 15 years — if you look at Saskatchewan's credit rating — for 15 years prior to July '85, Saskatchewan did not have any lowering of credit ratings. Prior to 1985 the credit rating kept going up and up in Saskatchewan. Since '85 Moody's lowered it. Moody's is one of the bond rating companies. They lowered it in July of '85. In January of '86 Standard and Poor's lowered the bond rating. In August of '86 Moody's lowered it again. And then in January of '87 the Canadian Bond Rating Service lowered our bond rating once again, Mr. Speaker.

When we look at all of the statistical evidence and we look at the numbers, the staggering numbers of taxes and the staggering numbers of deficits and the government still asking the public for another 440 million in tax, it makes you scratch your head, Mr. Speaker. It makes you wonder where did all the money go that they have been taking in, and why is it that they need this much more money before they look at their own spending, their own internal revenue. Why shouldn't \$4.5 billion be enough?

If you look at the tax revenue, Mr. Speaker, that the government has received since 1986 . . . and you don't have to look at very many things. Right straight from the budget book, you can see that personal income tax has increased by \$337.9 million. That's just since 1986. They've taken in in gas tax an increase of \$1.71 million. They've increased the sales tax revenue by \$298 million.

That's a total of \$807.2 million increase in taxes, in revenue to this government since 1986. Now if you add the \$440 million that they're going to take from this tax that they are proposing, that will reach a total of \$1.25 billion. That's \$1,250 for every child, for every woman, for every man in this province, a year. That's a phenomenal tax increase, Mr. Speaker.

That's why the people are fed up with taxes. That's why tax is the number one issue in every corner of the province. You take any area of the province, any town and you ask them, what is the number one issue, the majority of people will say that taxes is of their greatest concern at this time, the level of taxation. We are on a virtual tax revolt in this province, Mr. Speaker.

I want to now turn very briefly, Mr. Speaker, to talking

about fairness in taxation. Fairness. A tax is fair, Mr. Speaker, if it is based on one's ability to pay. That is if my child, when she was seven years old, had to pay the same level of taxation as I did when I . . . at the same time that I had an income and she did not have an income, it would simply be not fair. It just stands to logic.

Well the same thing happens to me from year to year. If I have a good year, I should be able to pay a little more tax than I can during a year when I have a poorer year. Or if I have a better year than my neighbour, I should pay a little more tax that year than my neighbour should be. That's called progressivity of taxation.

(1100)

This tax, Mr. Speaker, is not progressive. It is not fair in that progressive sense. That is the person who buys goods and services, any service according to this tax, pays the same amount of tax regardless of the ability to pay.

There is room for that type of a tax, but there is a limit, Mr. Speaker, to that type of a tax. This tax will take much more money out of the middle income and low income group proportionately than it will take out of the high income group. And that's why we say this tax is not fair.

Mr. Speaker, there are . . . and I want to contrast that type of a tax with the taxes that have been collected from oil revenue in this province. As an example, when this government inherited the revenue from oil royalties, tax oil revenue from the oil patch was yielding 34 per cent of the value of resource sales at that time. And it has steadily declined year after year after year, with one exception here. It declined to a level of 12 per cent. At the same time oil sales remained fairly constant. There were some wiggles in some years because of the fluctuating world market. But as a result of that change in structure, the money that would have been collected in oil revenues was not collected. It was foisted on the consumers and on the people of Saskatchewan, the ordinary taxpayer, the income taxpayer.

And there was an analysis of this done in *Sask Trends Monitor* of April 1990. And I quote from *Sask Trends Monitor* when they said:

Even with the declining prices, (they mean in oil) had the royalty and taxation levels remained at their earlier levels, the current provincial debt of \$4 billion would simply not exist.

Well, Mr. Speaker, if they had not changed courses, if they had not changed courses, we would not have had that debt. And certainly we wouldn't have had to have this tax imposed, which just leads me to one conclusion.

This government, if they continue on this route, is incapable of changing routes. They're incapable of taking the other path which means the only way the other . . . the only salvation people have will be at the polling booth. So what's going to happen, Mr. Speaker, is this tax will have to become the number one issue at the polling booth this year when the election comes.

Mr. Speaker, I want to close then, close my remarks with

one comment about the direction that taxation is leading us in this country, in this province. And I want to relate that to what's happening at the federal level as well.

Mr. Speaker, this government has supported the federal government and its implementation of the GST, 7 per cent. This government has added to it. They want to harmonize their own GST, another 7 per cent. This government has supported the process of deregulation of the Mulroney government. This government has supported the free trade policies of the federal government. They have said very little about how the federal government has kept the value of the dollar up with high interest rates. We didn't hear very much when they closed VIA Rail down. We didn't hear very much when the post office was closed down. We didn't hear very much when the CBC cuts were put into place. We didn't hear very much when the RCMP . . . when even now when the RCMP's under threat.

Now why am I saying this, Mr. Speaker, and what has it got to do with all of this? Mr. Speaker, if you were looking for a way to undermine the Canadian way of life, slowly undermine it so that Canada could no longer exist as a nation, you would ruin its economy and you would ruin its identity. And I ask you, what is happening to the country's economy through deregulation and free trade and high interest rates and high value of the dollar and high taxation and the GST? And what is happening to the identity of the country via Rail and the post office and CBC cuts and RCMP at threat?

Mr. Speaker, I believe that this government is going in the wrong direction, particularly in its support of the federal government in these aspects; and this provincial sales tax of 7 per cent is just more proof of them being directly in bed with the federal government. I intend to continue to work against the implementation of this PST. I urge the minister to listen to the people of Saskatchewan, to listen to his own back-benchers when they advise him that look, Lorne, you're on the wrong track.

Mr. Speaker, I am going to vote against this Bill, should it ever get to that Bill. And I'm certainly going to work hard that this tax be repealed after the next provincial election.

Some Hon. Members: Hear, hear!

Mr. Muller: — Thank you, Mr. Speaker. It does give me a great deal of pleasure to enter into this debate. It certainly was obvious this morning in question period the way they ducked around Fair Share. I mean they haven't raised that in question period yet. Even the member from Humboldt didn't say anything good or bad about it. So I thought I'd just . . . They like it but they don't want to admit it. Anyway after the stalling and filibustering and the very taxing antics by the members of the opposition, it's refreshing to finally re-enter the debate.

The Bill before us today, Mr. Speaker, is very important to this province. This Bill, Mr. Speaker, will allow the government to carry out its plan for harmonization with the federal GST and all sectors of Saskatchewan economy. Small business and agriculture will benefit from this plan. These people over there don't understand that.

You see, I've paid education and hospitalization tax in this province ever since I started farming. These people over there, they like double taxation. They really flourish with double taxation. As a farmer I paid tax as a business man. As a consumer I paid tax as a consumer.

There was no rebates on my three-ton truck that was used to haul my grain. There was no rebate on my fuel truck that I used to haul fuel to the field. There was no rebate on the tools that I bought for my shop — my welder, my drills, all these kinds of things that were investments in my business. I had to pay tax on that. Then I went to town and paid tax as a consumer, paid on my car, which is fair. As a consumer I don't mind paying tax.

But when it comes to double taxation that small-business people — men and women and farmers — have paid for years in this province, finally we're going to get the harmonization of the tax now, so there will only be a single tax. As a consumer I'll pay the single tax, and that's fair. I like fairness in taxation.

The E&H (education and health tax) will be on the consumers, and I will pay as a consumer. But I won't be double taxed as these people have done to me for years. They've never been in business. They don't know anything about business. They're opposed to business and opposed to agriculture.

I mean it's not hard to remember how opposed they were to agriculture. And I'll get into that a little later, in my speaking notes, about the high interest rates we had in the late '70s and early '80s. They said they couldn't do anything about them because they didn't understand agriculture. They don't understand agriculture today. They've got no plan for agriculture, no plan for small business; they've got no plan for everything.

Some Hon. Members: Hear, hear!

Mr. Muller: — They think if they sit and bury their head in the sand till the election they're going to win anyway. So they don't want to come out with any plan. They don't want to say anything. They don't want to say anything in case somebody might catch them saying something.

Some Hon. Members: Hear, hear!

Mr. Muller: — When they do say something, they're afraid they don't know what they're talking about anyway. It's an absolute flip-flop. They don't understand small business or agriculture . . . (inaudible interjection) . . . That's all right. The member from Moose Jaw North likes to chirp from his seat, but he says I don't know what I'm talking about. But that's the only thing they're saying. They don't have any plan; they flip-flop on everything.

The member from Humboldt and the member from Quill Lakes totally opposed the Fair Share, totally opposed the Fair Share until they get out in their constituency and are put up on a stage in front of a microphone and they know that they're getting some jobs in their constituencies in their towns, and what do they do? Oh, they're all in favour of it out there. Opposed to it in Regina, opposed to it in the union halls in Regina, but in favour of it out in their

constituencies.

They don't even address it in question period. They had a perfect opportunity today to ask the Premier about Fair Share and agriculture, the Minister of Agriculture was sitting here in the House — I'm not supposed to make reference to that, I'm sorry, Mr. Speaker — but anyway, they had a perfect opportunity today to ask questions about . . . from the Minister of Agriculture on Fair Share and how agriculture is going to fit into the rural fibre of Humboldt. But they never asked one single question, not one single question.

An Hon. Member: — He's a little off the subject.

Mr. Muller: — I'm sorry, I am a little off the subject, but I do get carried away from time to time on the positive things that we're doing for this province.

Some Hon. Members: Hear, hear!

Mr. Muller: — I guess I should get back to my written text and address the positive side of the PST and what it's doing to . . . going to do for small business and agriculture.

Mr. Speaker, it's no secret that Saskatchewan's agricultural sector has been going through some very tough times. Low commodity prices, international subsidy wars, drought, and high interest rates — after 10 years of hardship and uncertainty many of our farmers are facing a very difficult situation. This government has stood by farmers of Saskatchewan through the tough times, Mr. Speaker. And we have stood by farmers through the tough times; something that they never did.

When Saskatchewan's agricultural producers and their families asked for help to fight the high interest rates, we were there with programs like the production loan program, the spring seeding loan program which provided 157 million in spring seeding loans, and livestock cash advances which provided 140 million in loans to livestock producers. They never even recognized livestock producers when they were in government. They said . . . seeded the wheat from corner to corner. Gordon MacMurphy was the guy that said, we don't need to worry about diversification in agriculture, we don't need to worry about livestock or hogs or anything else. Just seeded the wheat from corner to corner. Where would we be today if we'd have listened to Gordon MacMurphy?

An Hon. Member: — We'd of had a lot of wheat.

Mr. Muller: — We'd of had a lot of wheat, that's for sure. We could of had it piled up outside and rotting.

And many other programs like these, Mr. Speaker, that saved Saskatchewan farmers more than 388 millions in interest payments alone. Saskatchewan's agriculture producers can now take part in a vendor mortgage protection plan, again security, and gain security through The Farm Land Security Act.

These people over there don't understand that. Not even the lawyers that are over there don't understand that.

Agricultural assistance in 1990-91 was \$411.3 million,

an increase of over 1,500 per cent in agriculture — 1,500 per cent increase. There's been more than 115 million paid out through crop and livestock drought assistance programs, more than 100 million to farmers through various **ad hoc** programs.

Provincial government assistance to agriculture from 1985 to 1989 totalled \$888 million. Where did the money go? That's what they say: where did the money go? Well we supported people when they were in trouble, when they were in need. These people turned their back on them in 1981 and 1982 when interest rates were 24 per cent, and they said that's not our problem; that's the federal government's problem.

(1115)

Some Hon. Members: Hear, hear!

Mr. Muller: — These people talk to me, like they say from their seats, that I'm living in the past. They want to go back to the future of the 1960s and '70s.

An Hon. Member: — Full steam ahead.

Mr. Muller: — Full steam ahead to the past is what they want to do — back to the land bank and high interest rates and seed it to wheat from corner to corner. We don't need diversification in this province. I'll bet you Gordon MacMurphy will be one of their advisors if they ever got to be government. And he'd tell them to seed it to wheat.

Provincial government assistance — I'll repeat that because I'm sure the members over there want to hear this — provincial government assistance to agriculture from 1985 to 1989 totalled 888 millions of dollars. They would have let our agricultural sector go down the tubes. They would have never ever put that kind of money to support our farmers in Saskatchewan because they don't understand agriculture or small business.

Now that's a lot of money, money in the hands of farmers and their families. That money was spent by farmers to support small businesses like our machine dealers, our oil dealers, our small town. But of course they don't care about small towns. They don't even want Fair Share.

Back in the 1970s when the member from Riversdale was deputy premier, interest rates were high and our farmers were having trouble. So they went to the deputy premier and his government and asked him for help. And do you know what the member for Riversdale and his colleagues said? They told the farmers of Saskatchewan, no. They told the people of this province that they could not help them against high interest rates because that would not be appropriate. Not be appropriate, Mr. Speaker. How can governments helping the people they're elected to serve not be appropriate? They thought that they could slip through one more election.

I don't know how many thousands of farmers went bankrupt and went under and quit farming from 1971 to 1982. I think they lost more farmers in those years than we have in . . . And that was in the good times. They lost more farmers in those years than we have in the bad years because we went out and supported those farmers and

made sure that they're there and they're stable, and the programs that we're putting into place will certainly stabilize their incomes.

Some Hon. Members: Hear, hear!

Mr. Muller: — That is a direct abdication of their responsibility, Mr. Speaker, and is something they will continue to do again and again. This has been proven through their recent despicable behaviour in this House. They held the people of Saskatchewan hostage in order to further their own political agenda. In refusing to allow debate on Bill 61, Mr. Speaker, the members opposite, each and every one of them, has abandoned their constituents, the people that they were elected to serve.

Why do you think that the application forms for NISA (net income stabilization account) aren't out? Why do you think that the province of Saskatchewan hasn't signed with the federal government on the NISA program? They talked about money for seeding, money for the farmers for seeding . . . (inaudible interjection) . . . Well we are on the leading edge. We are on the leading edge of agriculture.

I can understand the members from Regina Rosemont and the Regina members not understanding what the leading edge of agriculture is. He asks: why would we sign? Well we're on the leading edge of agriculture. We want to put money in the farmers' pockets so they can pay their bills, so they can support small businesses in the town — pay for their fuel and their fertilizer and chemical. And they are holding it up. They are holding it up.

They don't want to support agriculture because they don't understand it. They're scared of anything. They're scared of everything they don't understand, and they don't understand very much. So they're pretty near scared of everything. They're scared of everything.

They said we're scared to go to the NISA Bill. We're not afraid to go to the NISA Bill. They asked for us to move to the NISA Bill, but we're responsible people and we know we have to have the money in place to sign the agreement with the federal government, so the federal government can open the accounts that the farmers can draw on the next day and go to town and pay their bill.

And this is what we have to do. Sometimes it's not popular to do what you have to do, but you have to do it to be responsible. And we all know that they're not responsible. They're not responsible. They don't know what responsibility means. Maybe we could have got Bob Rae to send us a little money from their deficit in Ontario to pay for the NISA Bill.

But anyway, we are responsible. We're going to pass this Bill. We're going to sign the NISA agreement and we're going to get that money in the farmers' pockets. We are going to do it. And I'll tell you, those farmers will be happy to see those NISA cheques when they come. And they are needed. They're certainly needed.

Certainly we're off to a good start this year with lots of rain and lots of crops coming in and really nice shape. I understand there's some people who are having a little

trouble getting their grain in the ground, but it is a beautiful start to a beautiful crop.

And these people over there of course don't understand that. They're just going to try and hold their head in the sand and hope that nobody catches them, because they have no plan. They don't know what they would do if they did get elected. They don't understand how to handle small business or agriculture. They say if this tax is passed, it will be repealed if they form a government.

An Hon. Member: — What are they going to replace it with?

Mr. Muller: — Yes. What are they going to replace it with? They're going to replace it with 23 per cent more income tax . . . (inaudible interjection) . . . Well I sometimes even have to respond to the member for Regina Centre from time to time when he speaks from his seat.

But anyway, in refusing to allow debate, in refusing to allow debate on Bill . . .

The Speaker: — Order, order, order. I'm having difficulty hearing the Deputy Speaker.

Mr. Muller: — Thank you, Mr. Speaker. In refusing . . . Maybe I should start over. But in refusing to allow debate on Bill 61, Mr. Speaker, the members opposite, each and every one of them, have abandoned their constituents, the people they were elected to serve.

I can't believe the incredible lack of leadership demonstrated by the member from Riversdale. I mean he should at least understand agriculture; he's foreclosed on a few of them. I'm sure that he understands how to do that.

It sickens me to be witness to such a pathetic display of political manipulation. The members opposite, and especially the member from Riversdale, have absolutely no regard for the welfare of the people of this province. They are only concerned with obtaining power. Power for power's sake, Mr. Speaker.

Bill 61 will benefit Saskatchewan, Mr. Speaker. It'll help our business to be competitive. It would allow businesses and farmers to receive a rebate on their inputs. And very importantly, Mr. Speaker, it will allow us to honour our commitment to the agricultural safety nets, GRIP (gross revenue insurance plan) and NISA.

There was a lot of controversy over GRIP and NISA when it was first put forward. A lot of people didn't understand it. But now everybody that's signed up for it . . . In fact myself, I didn't really understand it all that well. But seeing I've signed up for it, and gone through it with my crop insurance salesman, I understand it.

Some Hon. Members: Hear, hear!

Mr. Muller: — I understand it really well.

There's probably not one member over there that understands it; that's why they're scared of it. That's why

they're scared of it . . . (inaudible interjection) . . . Sure. They say I have a conflict of interest. It's open to anybody. If they want to buy a half section of land, they can join it too. I'm sure they wouldn't know what to do with a half section of land if they ever bought it.

Anyway, the members opposite, and especially the member from Riversdale, have absolutely no regard for the welfare of the people of the province. They're only concerned about obtaining power. I wanted to say that statement again.

Bill 61 will benefit Saskatchewan, Mr. Speaker. It'll help our business to be competitive. It will allow businesses and farmers to receive . . .

The Speaker: — Why is the hon. member from Kelsey-Tisdale on his feet?

Hon. Mr. Hardy: — Mr. Speaker, could I have leave of the Assembly to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Hardy: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of this Legislative Assembly, a group of students from a town very close to me: Prairie River. There's 25 in all. They're grade 6 to 8. They're accompanied here today by their teacher Richard Coburn. They got chaperons, they're Brenda Gorniak, Pat Danku, Loraine Waskowic, and their bus driver Jim Wizniak. Jim Wizniak is from Hudson Bay.

These young students are in here today to see the workings of this Legislative Assembly, to listen to the debate that's going on on the broadening of the E&H tax, and to learn how this Assembly works and the functions of it.

And I'm sure all members here will be very cordial inviting our very special guests from the great north-east of Saskatchewan to the Legislative Assembly, and I would also wish them a safe journey home. I'll be meeting with them for pictures and refreshments afterwards in my office. I do ask all members of the Legislative Assembly to join in welcoming these young students from Prairie River, Saskatchewan, to the Legislative Assembly.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 61 (continued)

Mr. Muller: — This member's on his feet because I support Bill 61 . . .

Some Hon. Members: Hear, hear!

Mr. Muller: — For what it'll do, for what it'll do for agriculture and small business. For the first time ever, Mr.

Speaker, Saskatchewan's farmers are able to take part in a long-term safety net program. This program was designed by farmers, the provinces, and the federal government. GRIP, or gross revenue insurance plan, is a combination of production insurance and price insurance. I should say that again so the members opposite understand that. GRIP, or the gross revenue insurance plan, is a combination of production insurance and price insurance.

The key element of this program, Mr. Speaker, is that it is targeted to individual farms so producers knew before they started seeding just what their guaranteed revenue for each crop will be.

They also know what premiums they'll have to pay. If I'm guaranteed \$150 an acre for a certain crop, it costs me as a farmer about \$15 an acre to insure that crop. It's also contributed to by the federal government and the provincial government. So it's a three-way premium, three-way premium guaranteeing me so much money per acre for my crop.

The key element to this program, Mr. Speaker, is that it's targeted to individual farms. I want to reiterate that. So producers knew before they started seeding just what their guaranteed revenue will be for each crop.

And the linkage between Bill 61 and this, is certainly that we have to pass this Bill before we can sign the NISA agreement with the federal government. We have to have the dollars. We have to have the money in place to send the cheques out to farmers on the NISA agreement.

NISA allows farmers to set up a separate account, a stabilization account, somewhat like an RSP (retirement savings plan). Because these programs are based on individual farms, they address the concerns of leaving the management decisions at the farm level and it relieves the insecurity of not knowing what the current crop will bring in. Combined, these programs will inject more than 1.3 billion into Saskatchewan farming community in the first year of operation.

We have to contribute this money to the program and that's why we're putting Bill 61 through, in order to have the money without increasing our deficit. We have to have the money to pay up front to make sure that NISA and GRIP can be in place. And the farmers that are putting all that money in themselves need the security of knowing that the government is going to open the accounts and the money is going to go in. And that's why the Bill 61 debate . . .

The Speaker: — Order, order. I'd like leave of the Assembly to introduce some guests.

Leave granted.

(1130)

INTRODUCTION OF GUESTS

Hon. Mr. Tusa: — Seated in the Speaker's gallery this morning, I'm pleased to welcome from Punichy Elementary School 32 students in grade 4. They are accompanied by their teachers, Mrs. Gail Yonkman and

Miss Fran Perrot. Also, along with the students this morning, are Mr. Wilby Bitternose, Mr. Gerald Cyr, and their bus driver, Mr. Billy Geddes.

Punnichy is about 30 to 35 miles straight north of where I live. It's a lovely little town. And I am told, and I can't tell you this with absolute certainty but just as a note of interest, at Punnichy . . . there is a hill near Punnichy which is a second highest landmark between the Great Lakes and the Rockies.

So welcome these students to the Assembly this morning.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 61 (continued)

Mr. Muller: — Thank you, Mr. Speaker. I want to go over some of this again. Combined, these programs will inject more than 1.3 billion into the Saskatchewan farming community in the first year of operation — 1.3 billion for Saskatchewan farmers.

Bill 61 will bring other benefits to our agricultural producers, Mr. Speaker. The decision to harmonize will allow the complete removal of sales tax from the farming operation. This is what I talked about earlier. I won't be paying double sales tax, as I have done for years. I won't be paying sales tax on my inputs plus sales tax as a consumer. I don't mind paying sales tax as a consumer. And the harmonized tax will allow me to pay my sales tax as a consumer, but my business will be exempt. My three-ton truck that I had to pay a sales tax on, that hauled my grain to the elevator, was taxed before. And now under this agreement, under the harmonization, that tax will be returned to me at a certain time of year.

Some Hon. Members: Hear, hear!

Mr. Muller: — So I will be exempt from double taxation. I was double-taxed before and now I'll be exempt from it.

Small-business men that buy scales or tills or whatever for their business, that they paid education and hospitalization tax on before, will now get rebated that hospitalization tax. That's what harmonization does for farmers and small business — very, very important for farmers.

There's a lot of the tools and vehicles they buy, they have paid education and hospitalization tax on for years, and that was double taxation. But those people don't understand that. They never did support agriculture, so why should they start now.

A lower tax bill on farm inputs will result in improved cash flows, greater financial flexibility, and more economically viable farming operations.

Major farm input purchases will remain tax free — items such as tractors, swathers, combines, discers, cultivators, augers, rock-pickers, fertilizers, seed, pesticides,

herbicides, and the list goes on and on, Mr. Speaker. I don't know what kind of pesticides we can use to remove the socialism from our province, but anyway we'd better not go into that, Mr. Speaker.

Mr. Speaker, without the benefits of harmonization we could not afford GRIP and NISA.

The Speaker: — Order, order. Order. This is obviously a gripping debate, because we have a great number of members who wish to enter it. Let us give the Deputy Speaker the right to speak now, and everybody else will have their turn.

Mr. Muller: — Thank you, Mr. Speaker. Mr. Speaker, without the benefits of harmonization, we could not afford GRIP and NISA. The provincial treasury simply could not stretch any more.

Tough times have made for tough decisions. The decision towards harmonization was indeed a tough one, Mr. Speaker. While we wish it was not so, the federal GST is now here, and it's not going to go away. Knowing this, we had to find the best possible way to deal with it, the best possible way for our farmers, our low income families, our small businesses, for everyone in Saskatchewan.

After many weeks of flip-flopping around, jumping from one public opinion poll to the next, the member for Riversdale recently announced that he would repeal the harmonized tax should he be elected.

Some Hon. Members: Hear, hear!

Mr. Muller: — Well, Mr. Speaker, that's a pretty easy promise to make in the months heading into an election — just one more election promise to add to their list of many. It's very easy to say they would repeal the tax. It doesn't take much courage to make that kind of an announcement.

But I have to ask the member across the floor, how are you going to pay for all of your promises? How are you going to pay for GRIP and NISA? Or are you actually going to keep one of your promises and tear this agreement up, forcing our farm families to wait for you to decide what to do next?

I've heard it said that the Leader of the Opposition is going to make some changes to GRIP or NISA, such as limiting the amount of acres. You know they've always wanted to control the size of farms. They've always wanted lots of control. They want to control everybody; everything that ever moved, they wanted to control it. If they couldn't control it they wanted to nationalize it.

But I say, we have a good program put together by farmers and people in the industry. And I can see where they wouldn't understand farmers or people involved in the agricultural industry. They don't know anything about it.

How are you going to pay for GRIP and NISA, or are you actually going to keep one of your promises and tear up this agreement, forcing our farm families to wait for you to decide what to do next. It was worth reading again because I don't think they understand it. I don't think one

of them have ever taken an application form from GRIP and really gone through it to see what it actually meant.

I'll bet they haven't sat down with a crop insurance salesman. I bet they haven't sat down with a crop insurance salesman and went through a farm of approximately 1,000 acres or 1,200 acres, which is about an average size farm in Saskatchewan today. I'll bet they don't know how much the farmer is paying into that program and how much the federal government's paying into it and how much the provincial government's contributing to it. I'll bet they've never sat down and went through how many acres of wheat and oats and barley and canola and flax seed.

I bet they haven't taken the time. They always talk about research and what they're doing and what they've done. I'll bet they haven't taken the time to even understand the program. And if they were to get elected, they say they're going to change it. So how do you change it if you don't know how it works? I mean this is how ridiculous those people come across.

Well, Mr. Speaker, the member from Riversdale and his cohorts across the floor are in for a big surprise. The people of Saskatchewan are not going to fall for their fly-by-night promises. The farmers of this province had to wait through 10 years of NDP government telling them: no, we won't help you. And they're not going to let this happen again.

Saskatchewan's agricultural industry is facing a crisis situation now, today, Mr. Speaker. The decision cannot be delayed. Now is the time for action. Now is the time for courage. And quite frankly it's becoming more and more obvious to me and to the people of this province that the member from Riversdale does not have the courage it takes to make the necessary decisions. He does not have the courage nor the will to do what is right for the people. He only knows or wants what is best for him.

So the members across the way want to repeal the tax. Well like I said, Mr. Speaker, where are they going to get the money to pay for these vital programs? Are they going to grab it out of thin air? Are they hiding a money tree in their offices? Where is the money going to come from? Would they borrow even more money, putting this province further into debt like the Ontario government did in their budget? Nine point seven billion, Ontario's deficit. Are they going to destroy the weekly newspaper and printing industry in Saskatchewan, as is sure to happen if they cut 80 per cent of government advertising?

Everyone in Saskatchewan wants to know what their alternative is, but I guess we will be waiting a long time because these people do not have an alternative. They are completely void of any ideas. The only ideas these people are able to come up with are those they are dusting off from the 1970s, as I said earlier, back to the future. They want to go back to the future.

I challenge the member from Riversdale to come clean with the people of this province and let us know what, if any, his intentions are. My guess, Mr. Speaker, is that we'll be waiting a long, long time.

I have with me, Mr. Speaker, a copy of an article that appeared in the *Leader-Post* on May 25, 1991. In this article, Bruce Johnstone reviews the opposition party's decision to drop harmonization. And what he has to say is very interesting. I'd like to read an excerpt from this article, Mr. Speaker:

... the biggest flaw in the NDP study is that it fails to consider the effect of the new farm safety net programs and the provincial economy.

The whole rationale for paying an additional \$180 million a year in taxes is to trigger the \$1.3 billion in program payments from GRIP and NISA. But the NDP would have you believe that the \$180 million just disappears into ... (thin air).

Mr. Johnstone goes on to say, Mr. Speaker:

If nothing else, this flawed study raises serious doubts about the NDP's promises to balance the budget and eliminate waste and mismanagement in government.

Well, Mr. Speaker, you and I know that the NDP have no intention of keeping their promises. They think they can fool the people of Saskatchewan. And we all know that won't happen. It won't happen because they don't have what it takes to make difficult decisions. They don't have the intestinal fortitude to stand up for the people and do what's right. The members across the floor are incapable of seeing beyond themselves. All they care about is advancing their own interests.

Bill 61 will benefit the province, Mr. Speaker. It will pay for much needed farm programs, provide rebates and substantial savings to people of this province.

Just before I take my place, I just want to respond to one of the statements that the member from Prince Albert that was on his feet just before me, speaking on this Bill ... and he said that this Bill was not even supported by the back-benchers of this side of the House, and I want to tell him that he's wrong. Because he has never supported agriculture or small business, and I don't believe he knows anything about the programs that we are putting in place. And I think he's just speaking off the top of his head.

And, Mr. Speaker, with that, I will be supporting this Bill. And I thank you very much.

Mr. Calvert: — Thank you, Mr. Speaker. I know it's traditional in debate in this House that when one rises in one's place in the course of debate to follow a member of either the government or the opposition, you may want to spend a few moments in the introduction to your remarks dealing with some of the points made by the member who has just preceded you, Mr. Speaker.

I did pay close attention to the member from Shellbrook-Torch in the remarks he brought to this debate. And frankly, Mr. Speaker, I was a little confused. I wondered if somehow we had wandered into debate on the GRIP and NISA Bill. I wondered if we had left Bill 61 and wandered somehow into the GRIP and NISA Bill,

because the member across that just spoke seemed quite agitated about the matter of the GRIP and NISA Bill.

And I think, Mr. Speaker, I would want to remind that member and all members present that a number of days ago in this House, this week, the House Leader of the Opposition stood in his place and moved a motion, Mr. Speaker — you'll remember it — that this House should now move to consideration of that Bill which will deal with GRIP and NISA. We were willing, Mr. Speaker, on this side of the House, to give up private members' day to deal with the matter of GRIP and NISA in this House.

Now, Mr. Speaker, who was it — you'll recall and other members will recall — who was it that said no? Who was it? It was the same member who just was on his feet. He said no. Now this is very peculiar, Mr. Speaker. On Tuesday of this week this House was prepared, more than willing, ready to debate and discuss the farm support programs under the legislation — GRIP and NISA. Members opposite said no.

(1145)

Now today, Mr. Speaker, I heard that member say, well we can't debate GRIP and NISA until we've debated Bill 61 because we need the money. We've got to have the money in the bank; we need the money.

Mr. Speaker, there's something wrong with the argument here. Is it not true, Mr. Speaker, is it not true that people are already paying the tax? Is it not true that the young people of Saskatchewan, every time they buy a bag of potato chips, are paying this tax into the coffers of this government? The money is coming in, Mr. Speaker. This is a completely bogus argument that somehow or other this Bill needs to be passed before we can deal with GRIP and NISA. That's a completely bogus argument, Mr. Speaker, and I was surprised and I find it very peculiar that the member who preceded me would raise those arguments in this House.

Mr. Speaker, it will be my intention to deal as nearly as I can with the subject at hand, Bill 61. But I do want to say, Mr. Speaker, before addressing the Bill directly, that events yesterday in this House in some ways have restored my confidence in the democratic process in Saskatchewan. Mr. Speaker, what happened in this House yesterday was a victory for the people of Saskatchewan — a victory for the people of Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Even, Mr. Speaker, the arrogance of this government, a government that came to this House, attempted to allow about three hours, eight hours of debate in total on this Bill; even the arrogance of this government was stopped, not by the opposition, Mr. Speaker, but by the people of Saskatchewan who by the tens and thousands . . . over a hundred thousand have signed petitions petitioning this government, Mr. Speaker, to stop this tax and to call an election, Mr. Speaker. Even this government couldn't withstand the weight of that public opinion.

And, Mr. Speaker, this government backed off, backed off to permit this debate to occur in this House. This government has committed there will not be time allocation on this debate, this most fundamental debate, one of the most fundamental debates in the history of our province, Mr. Speaker.

I want to, Mr. Speaker, put this debate in its context. We are here debating in this House the single largest tax increase in this province's history. Since 1905, Mr. Speaker, since this province was formed, no government has ever introduced a tax increase of this magnitude in one fell swoop. Mr. Deputy Speaker, we are dealing here in this Bill with the largest single tax grab that any government has ever made in the history of the province.

Mr. Speaker, do you understand the enormity of what this government wants to take from the people of Saskatchewan? This government wants to take out of the pocket-books and the banks accounts of the people of Saskatchewan, from the disposable income of Saskatchewan households, some \$440 million — \$440 million, almost a half a billion dollars tax increase on the people of Saskatchewan. That's what it is, Mr. Deputy Speaker.

Now if we assume there are something in the neighbourhood of 400,000 households in Saskatchewan, if we can assume that, Mr. Speaker, then this government plans through this piece of legislation to take another thousand dollars more from every household in Saskatchewan. Now, Mr. Speaker, that's the enormity of what we're talking about here.

And we're getting this, Mr. Deputy Speaker, we're getting this kind of a proposal from a government who has literally brought fiscal ruin upon this province. It's proposed by a government that I say, Mr. Speaker, has long since run out of mandate to govern. Mr. Speaker, it's being proposed and introduced by a government that's brought fiscal ruin upon our province, by a government that's long ran out of its mandate. And, Mr. Deputy Speaker, it's a tax that is widely recognized will cripple what is left of our provincial economy.

Mr. Speaker, this government wants to go to the people of Saskatchewan and take another \$440 million. Mr. Speaker, they want to take that from a well which I say is already dry. Mr. Speaker, that's the context, that's what we're talking about here, a thousand dollars more in tax from every household in Saskatchewan, Mr. Speaker. And this government wanted to shut debate down on that kind of a Bill.

Mr. Speaker, in the course of my remarks to this tax, I, Mr. Speaker, want to apply what I think are the four significant tests to any proposal for new taxation. I want to apply these four tests because I think these are the fundamental tests that must be answered by members opposite, and I know, Mr. Deputy Speaker, that these are the tests being applied to this tax by the people of Saskatchewan.

Mr. Deputy Speaker, the four tests are these. Number one, is the tax necessary? That's the first test. If a government wants to introduce a new tax, particularly of this magnitude, somebody needs to answer the question: is

this tax necessary? Is it necessary, Mr. Deputy Speaker, for the provision of services for the people of this province? Is it necessary? Are there other sources of revenue, Mr. Deputy Speaker? The first question: is this tax necessary? And that's the first test.

The second test, the second question that this government must answer, the second question that's being asked by the people of Saskatchewan: is this tax fair? Is this tax borne equally by all segments of the society? Is there fairness in this tax proposal? That's the second test, Mr. Deputy Speaker.

The third test, and not, Mr. Deputy Speaker, an insignificant issue: is this tax sustainable? Given the state of our local economy, is this tax sustainable? Mr. Deputy Speaker, if this tax cannot pass the test of sustainability in our provincial economy, then, Mr. Deputy Speaker, this tax should be tossed out. Is this tax sustainable and, Mr. Deputy Speaker, related to sustainability, is the tax wise? Does the tax play an important role in shaping the kind of society that we want to build?

So, Mr. Speaker, the first three tests: is the tax necessary; is the tax fair; is the tax sustainable and wise?

And finally, Mr. Deputy Speaker, the fourth test: does the government of the day have the mandate, the moral mandate to introduce this kind of a major tax increase? That's the fourth test, Mr. Deputy Speaker. Does the government opposite have the mandate to introduce this kind of massive tax grab on the people of Saskatchewan?

So it's around those four questions, Mr. Deputy Speaker, over those four tests that I'd like to centre my remarks. Because, Mr. Deputy Speaker, I do believe that those are the questions and those are the tests that are being applied to this tax by the people of Saskatchewan.

Mr. Deputy Speaker, on the issue then: is this tax necessary? Well a member opposite said, yes. Have you ever noticed, Mr. Deputy Speaker, how it is sometimes at home — family income — how it is that the more money you have the more money you tend to spend? It's a human foible of ours in some ways that the more money we have, the more money we tend to spend.

Now the member from Assiniboia and his government have taken this human foible of ours and made it an art form. They've made it an economic policy. The more money these people have taken, the more money they spend, Mr. Deputy Speaker. This government has made it a science. Now you see the problem in this province is not that the taxpayer is paying too little. That's not the problem in this province. The problem in this province is that that government has spent way, way too much. That's the problem.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Now listen, Mr. Deputy Speaker, since these people came to office, they have more than doubled the revenues to the government. They have more than doubled the revenues to the government. They've gone from around \$2.3 billion budget up to a 4.5 and more billion dollar budget. These people have more than

doubled the budget of the province of Saskatchewan. From 1905 to 1982, the budgets of Saskatchewan grew to about \$2.5 billion, 2.3. In the nine years that these people have been in government, this provincial budget has grown from 2.3 to 4.5. Mr. Deputy Speaker, these people have more than doubled the revenues into their coffers.

It's an interesting question, Mr. Deputy Speaker, to ask where they've taken this money from. Where has all this new money that they have . . . where have they taken it from?

Well, Mr. Deputy Speaker, it's pretty obvious they haven't taken it from resources. It's pretty obvious they haven't taken it from that sector of our economy. It's pretty obvious they haven't introduced a corporate flat tax in this province; that's obvious. So it's not come particularly from that sector. Where has all this new money come from? Where has the doubling of their revenues come from?

I'll tell you, Mr. Deputy Speaker, where it's come from. It's come straight out of the pockets of Saskatchewan households and Saskatchewan taxpayers. That's where it's come from. It's come from taxes, taxes on people. It's come from increasing the sales tax, Mr. Deputy Speaker. It's come from taxing used-car sales for a while. It's come from taxing lottery tickets for a while. It's come from increases in our income taxes, Mr. Deputy Speaker.

All this new revenue to the government, where has it come from? It's come from something called the flat tax, something they pioneered right here in Saskatchewan. They started it off with half a per cent; then they raised it to 1 per cent, then one and a half. And now it's 2 per cent, and who knows where it'll go if these people are ever given a chance to govern again.

All of these new taxes — liquor taxes, tobacco taxes — all of the new revenues to this government have come from one segment of our society, and that's the homes and the families of Saskatchewan. That's where it's come from. Mr. Deputy Speaker, that's where it's come from.

And the people of our province are fed up. Mr. Deputy Speaker, no matter where I travel in my constituency, whether it's door knocking or on Main Street, the shops and businesses of Moose Jaw, and the rinks, ballparks, swimming pool; no matter where I am in my constituency and indeed wherever I happen to have the opportunity to travel in the province, people are saying one thing: enough is enough.

They simply cannot bear more tax. Mr. Deputy Speaker, they're taxed out. Why? Because we've had a Conservative government in Ottawa and a Conservative government in Regina. And if the folks opposite ever left the confines of this building or the protection of their own offices and talked to some people, they would know that Saskatchewan people are taxed out. The well of personal taxation is dry. It's dry.

And so when this government comes along and says we need more money, we need more money, we need another \$440 million to operate, is it any wonder the Saskatchewan people are ready to turf this government at

the first opportunity? Mr. Speaker, Saskatchewan people are saying that this government doesn't deserve even another penny of their tax dollars. Saskatchewan people are saying it's time for this government, for all governments to learn to live within their means.

And as my colleague from Prince Albert said so eloquently in his remarks, Mr. Deputy Speaker, Saskatchewan people are asking, we're asking in the year 1991, is it not possible to govern the province of Saskatchewan with less than a million people on \$4.5 billion? That's the question. Is that not possible in 1991? In 1991 is it not possible to govern a province of less than a million people . . . (inaudible interjection) . . . Well the member from Wilkie or Unity or wherever he's from . . . he chirps away from his seat. I hope he gets on his feet when I sit down, to introduce those remarks into this debate.

Mr. Deputy Speaker, Saskatchewan people have said enough is enough. They want a government that will begin to set a goal of living within its means.

Some Hon. Members: Hear, hear!

(1200)

Mr. Calvert: — Mr. Deputy Speaker, they want a government that will view the treasury of this province as a trust and not as a trough, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — And I tell members opposite, if they think that they can go to the people of Saskatchewan and say, we need more money, then you had better clean up your own act first. You'd better end the patronage, and you'd better end the hand-outs, and you'd better end your waste and your mismanagement, and you'd better open the books. You better open the books of this province so people can have a look to see what you've done with the money, with all of that tax money.

Mr. Deputy Speaker, imagine this, Mr. Deputy Speaker. If you were a shareholder in a business and you hired yourself a management team to operate that business on your behalf, and when that management team came on stream, they had cash resources in the bank with which to work, and then at each succeeding year this same management team keeps coming back to you and back to you and saying, we need more and more money to keep this thing going. And meanwhile this same management team is busy selling off your assets, and this same management team, meanwhile selling off the assets and asking for more and more money, is piling up more and more debt, Mr. Deputy Speaker, what would you do with that kind of management team?

Well I think at the first opportunity that the contract was up for renewal, you would look for a new management team. Now that's precisely, that's precisely what's happened in Saskatchewan. Governments are entrusted, charged with the responsibility of being stewards for the public good and the public purse. Governments are charged and entrusted with the responsibility of managing the affairs of the province on behalf of the

people.

This group of men and women in 1982 were handed an economy in relatively good condition, a provincial treasury with money in the bank and assets belonging to our people. In each of its succeeding years in government, Mr. Deputy Speaker, this government has asked for more and more money from the people of Saskatchewan saying, we need it to operate.

At the same time they were selling off our assets, hundreds and millions, billions of dollars of our assets. At the same time they were running the debt higher and higher and higher. And now in the eighth month of their fifth year of a four-year mandate where are they, Mr. Deputy Speaker? They're back to the people saying, we need more of your money.

Mr. Deputy Speaker, I tell you, when the contract on this management team comes up for renewal as it will within weeks, within weeks, Mr. Deputy Speaker, the people of Saskatchewan will turf this team out.

Some Hon. Members: Hear, hear!

Mr. Calvert: — On the question, Mr. Deputy Speaker, is this tax necessary, the people of Saskatchewan say no, it is not necessary. Mr. Deputy Speaker, they say, get rid of this tax. They say, let us get a government that begins to live within its means. Let us have a government that will end the waste and the mismanagement and the patronage and the hand-outs. Let us have a government that will bring to bear principles of fair taxation so that every segment and every sector of our society pays its fair share.

That's what the people of Saskatchewan want. They don't want this team. They want a change in government; they want fair taxation; they want government that is as good as the people of this province. That's what they want.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Deputy Speaker, this tax fails the test of necessity. People also ask, and rightly so, is the proposed harmonized provincial GST and the current extension of the E&H tax to children's clothes, to restaurant meals, to reading materials, to home heating fuels, people of our province are asking, is it fair? Is the PST fair?

Mr. Deputy Speaker, I report to this House what was reported to me from a shop in Moose Jaw that sells bicycles. A woman came into that shop two weeks ago prepared to buy a bicycle for her son whose birthday was coming, a bicycle her son had chosen and wanted for his birthday. This is a single parent, Mr. Deputy Speaker, with relatively no income.

She brought the bicycle to the cashier, Mr. Deputy Speaker, and found that she had miscalculated in saving for this purchase because she had forgotten the federal goods and services tax. She had forgotten to factor in the federal goods and services tax. And as true as I stand here, Mr. Deputy Speaker, that woman left the store in Moose Jaw without the bicycle for her son.

Now, Mr. Deputy Speaker, is that fair? I tell you, Mr. Deputy Speaker, I ask you, is that fair that the corporate entity that is selling the bicycle enjoys tax loopholes you could drive a truck through, but the woman who wants to buy a bicycle for her son for his birthday can't afford it because there's too much consumption tax on it? Mr. Deputy Speaker, I ask you, is that fair?

I tell you, there's something wrong with the taxation system. There's something seriously wrong with the taxation system in this province and in this country when it causes the poor to grow poorer and the rich to get richer. There is something wrong with this, Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — You know, Mr. Deputy Speaker, there's an old poem. It was written a century ago but I think it's as true today as it was the day it was written. It goes something like this:

Taxes are equal, proclaimed the Tory boor;
Why they hardly press upon the rich
And likewise they press hardly on the poor.

Mr. Deputy Speaker, the tragic reality is that it's true today. There's nothing fair about the taxation system as we know it in Canada, as we know it in Saskatchewan. And, Mr. Deputy Speaker, if this Bill passes in this House, it will only add to the inequity in that tax system.

Mr. Deputy Speaker, I have with me today what I think is an extremely significant list, extremely significant list related to this debate on taxation in Saskatchewan.

Mr. Speaker, while this government wants children to pay tax when they buy a bag of potato chips, when they want seniors to pay tax if they want to go out and buy a new dress, when this government is asking Saskatchewan families to come up with 440 million more dollars to finance their operation, there's a certain degree of unfairness when in this country a corporation like Brascade Resources in 1989 had pre-tax profits of \$157.5 million.

How much tax, Mr. Deputy Speaker, do you suppose that Brascade Resources — that's pre-tax profit — how much tax do you suppose Brascade Resources contributed to the people of Canada? Mr. Speaker, the answer is zero. None at all.

Mr. Deputy Speaker, CP (Canadian Pacific) Hotels . . . we're familiar with CP Hotels. In 1989 CP Hotels in Canada had pre-tax profits of \$46.9 million. Now how much do you expect CP hotels contributed to the good and welfare of our country through taxation? I tell you, they didn't pay a red cent, Mr. Deputy Speaker, not a dollar. But beyond that, they received tax credits of \$2.1 million.

Mr. Deputy Speaker, I have a list here that goes on page after page after page of profitable corporations in this country who have paid no or very, very little in income tax.

Mr. Deputy Speaker, here's one you'll be interested in. WESTBRIDGE Computer company, the privatized WESTBRIDGE Computer company in the year 1989 reported pre-tax profits of \$7.2 million. Now how much tax would you say that the WESTBRIDGE Computer Corporation paid to the nation of Canada, therefore through to the province of Saskatchewan? Not a red cent, Mr. Deputy Speaker, not a red cent.

Now, Mr. Deputy Speaker, well here's Ocelot Industries. I believe they're into resources. Ocelot Industries in 1988 made pre-tax profits of \$432.5 million — \$432 million, Mr. Deputy Speaker. What did they pay in tax? Not a red dime, not a red cent.

Well here's Standard Trust Co. Standard Trust Co., interesting. Standard Trust Co. 1988 made pre-tax profits of \$13.5 million, didn't pay a dime. I believe not too many weeks ago Standard Trust Co. went broke.

An Hon. Member: — Taken over by Laurentian.

Mr. Calvert: — Taken over by Laurentian, someone adds.

Well now, Mr. Speaker, I find this particularly interesting. I find this particularly interesting. Here's the Hudson's Bay Company. The Hudson's Bay Company in 1987 had pre-tax profits of \$49.7 million, paid no tax, received a tax credit — get this — received a tax credit of \$15.7 million, the Hudson's Bay Company.

Now, Mr. Speaker, you tell me what's fair about a situation that if a parent in Saskatchewan wants to go into the Hudson's Bay store and buy a bicycle or buy running shoes, Mr. Deputy Speaker, blue jeans, a skirt, a top, a Ninja t-shirt, what's fair about that parent being forced to pay 14 per cent tax on that item when the Hudson's Bay Company of Canada with pre-tax profits of \$49.7 million pays not a red cent? Now what's fair about that, Mr. Deputy Speaker?

The member opposite asks me to go on. Well here's the Kellogg Company of Canada. The Kellogg Company of Canada 1987 in had pre-tax profits of \$9.1 million. How much tax do you suppose the Kellogg Company paid?

An Hon. Member: — Not a dime.

Mr. Calvert: — Not a dime. Not a dime. The member's got it right; they didn't pay a dime.

Now, Mr. Deputy Speaker, if a senior citizen living in a high-rise in Moose Jaw wants to go out for breakfast to one of the local cafés for a bowl of Corn Flakes or Rice Krispies, that senior citizen is going to pay 14 per cent tax on her bowl of Corn Flakes. Meanwhile, she'll be paying more than the whole Kellogg corporation paid to the Government of Canada in taxes. Kellogg made profits of 9 million and more dollars.

Mr. Deputy Speaker, the question, is the question fair? The question is the question of fairness of the taxation system in Canada. I mean what is fair, when some segments of our society do not contribute, do not contribute their fair share, and yet this government will be telling the households of Saskatchewan they've got to

cough up another \$440 million. What's fair about this, Mr. Deputy Speaker?

What's fair about a situation where a student who will be going to STI (Saskatchewan Technical Institute) in Moose Jaw this fall, or a student that will be going to Aldersgate College in Moose Jaw, or a student that will be going to the Briercrest Bible School, I mean what's fair about them having to pay tax on their books, the books for learning, when we've got thousands of corporations in this country who don't pay a red dime, a red cent? Mr. Deputy Speaker, I maintain that's not fair.

Mr. Deputy Speaker, now members opposite will suggest that in their proposal for this harmonized GST, harmonized PST with the federal GST, they will suggest that the new tax increases that have come on as of April 1, well it's fair because you see they're going to help out low income people with tax rebates. And they say that's how you deal with the question of fairness. You help out the low income people in Saskatchewan with tax rebates.

Well I ask members opposite and I wish one of them, just one of them would get on their feet and tell this House, tell the people of Saskatchewan what's fair about a situation that provides no tax rebate for low income seniors. You see, Mr. Deputy Speaker, the only tax rebates available are the families with children.

(1215)

Now what's fair about this? What's fair about no tax rebate for low income and fixed income seniors? What's fair about that? And what's fair about no tax rebate for the young couple, the low income couple who have no children? Now what's fair about that? What's fair about the single people who may be on low incomes or fixed incomes? There's no tax rebate. What's fair about that?

Now the member sits over there and talks about the seniors' heritage program. Do we want to talk about that? Do we want to talk about what this government did to the property improvement grant? They wiped it out as soon as they came to office. There was such a hue and cry; the only way they could get off of it was to kind of come up with this heritage grant for seniors. There's nothing wrong with the heritage grant for seniors. And then they go and tax the seniors, tax them more than they'll ever see in the heritage grant.

I ask the member opposite, I ask the member opposite, what's fair about not providing tax rebates to low income households where there are no children?

Now, Mr. Deputy Speaker, if this government truly wanted to benefit the low income people of the province of Saskatchewan, I'll tell you what they'd do. They'd build an economy where there were jobs for everyone, Mr. Deputy Speaker. They would shape an economy where there were jobs and good jobs and decent jobs for everyone. That's what they could do if they had some sincere interest in helping low income people in our province.

And I tell you, if they really wanted to help, they'd drop this tax. Forget the millions of dollars they're going to

spend in a bureaucracy to provide rebates. Just don't tax people in the first place. Drop the tax, Mr. Speaker. Drop the tax. That's what the people of Saskatchewan are saying, Mr. Deputy Speaker.

You know, Mr. Deputy Speaker, the people of Saskatchewan are fed up. They're fed up with taxes from Conservative governments in Ottawa. They're fed up with taxes from Conservative government in Regina. They say these taxes are not necessary, and they say these taxes are simply not fair.

And so, Mr. Deputy Speaker, on the test, is this tax fair, I say this tax fails miserably. On the question of fairness, this tax fails miserably. And, Mr. Deputy Speaker, when this government goes to the polls they too, like this tax, will fail miserably.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Is ... (inaudible interjection) ... well the member from Thunder Creek is saying, let's have an election. Well we agree. On that we agree. On that we agree.

Some Hon. Members: Hear, hear!

Mr. Calvert: — I just remind the member that it will not be many days or weeks until electoral boundaries are available in this province. And, Mr. Deputy Speaker, the day that we have electoral boundaries to run on I want the member from Thunder Creek to tell his Premier, you call the election — you call the election.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Deputy Speaker, the question that must be asked about any new tax is: is the tax sustainable in the economy of the times? Will the economy of the day sustain this kind of tax? And that's the question we need to ask around this proposal to harmonize the PST with the GST. That's the question we need to ask around the tax increases that have been put on April 1. Can the economy of Saskatchewan stand another \$440 million taken from the economy? Can this economy stand it?

Mr. Deputy Speaker, we've lived with for some years a disastrous interest rate policy from the federal Conservative government in this province. Mr. Speaker, we're involved in international agricultural trade wars. Mr. Speaker, we've had already laid upon us in this province as of January 1, a 7 per cent goods and services tax. Mr. Deputy Speaker, we've seen 75,000 people leave this province in the last few years, most of them young people. We've got a 5 to 6 per cent inflation rate.

Mr. Deputy Speaker, I ask you and I ask members opposite, can the economy of Saskatchewan in today's realities, can this economy sustain another 7 per cent consumption tax? And I tell you, Mr. Speaker, that the answer is no. In my view, our economy ... I'm not sure if our economy ever could stand this kind of a tax hike at one time. But in my view the economy right now simply cannot stand this tax — simply cannot stand the body-blow that this tax presents to our provincial economy.

Mr. Speaker, I'm not alone on that. Voices all over the province are saying this tax is not sustainable. It's foolishness. It's going to kill what little bit is happening in our local economy.

Mr. Speaker, let me just review some of the recent press and some recent news releases from a variety of groups around this province. I have here a news release from the Saskatchewan Business Coalition to STOP the PST Let me just quote some of this, Mr. Speaker. It's important:

This huge new tax is very detrimental to the Saskatchewan economy (says the Saskatchewan Business Coalition), especially at this time, because it takes hundreds of millions of dollars of disposable income out of the pockets of consumers. Less disposable income for low and middle income families means they will have less to spend at their local businesses. Lower sales at local businesses will mean lower profits (and underline this, Mr. Speaker) and lost jobs. The consequences of this huge new tax are widespread and severe.

Mr. Speaker, the evidence is already coming in from every corner of the province. This group, this business coalition — primarily centred I think in Saskatoon — notes that sales in the general retail service sector . . .

The Speaker: — Order. Why is the hon. member from Weyburn on his feet?

Hon. Mr. Hepworth: — I was wondering if the hon. member would answer the question about where they would get the money.

Some Hon. Members: Hear, hear!

The Speaker: — The hon. member's question of course was off the record, however I will ask if the hon. member wishes to take a question. You may share that.

Mr. Calvert: — Not only was the Finance minister's question off the record, it was off the wall.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, if the Minister of Finance will . . .

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

Mr. Calvert: — Mr. Speaker, if the Minister of Finance will just remain in his seat for more than two minutes at a time here and listen patiently to members on this side of the House, he will be given clear answers to his questions. I guarantee it.

Mr. Speaker, I was making the point that in my view the economy of Saskatchewan at this time — and perhaps at no time, but certainly at this time — simply cannot stand this kind of a massive tax grab from members opposite.

This position is supported by groups from across the province, from all walks of life, from every part of our province. I'm here now quoting some materials from the

Saskatchewan business coalition, and I'm making the point, Mr. Speaker, that in fact the evidence is already in. This business coalition reports that:

Sales in the general retail service sector (and they underline these words) are down sharply . . . As a result people have lost their jobs or had their hours of work cut back due to these lower sales. Some businesses have been forced to close their doors, some have gone bankrupt, many (underline many) more will face the same demise in the next few months — the P.S.T. being the last straw in an already underperforming provincial economy.

Now that's what this tax is going to do to the province of Saskatchewan. They go on to say, and I think appropriately so:

Business people believe the provincial government should look at its own spending habits, and cut its own waste and mismanagement, before it starts hitting people up for yet another tax increase.

Hear, Hear.

Mr. Speaker, we can just look through some of the recent press. Here's an article from May 23, Thursday, May 23, with a headline: Used car dealers hurting. A used car dealer here in Regina reports that our business is already down 50 per cent since the introduction of the GST on January 1. And he goes on to say: I know of three dealers who will shut down before January 1 next year if nothing happens. Businesses closing. People being thrown out of work.

From the national scene, we know now some of the implications that the goods and services tax . . . From *The Globe and Mail* a headline: GST delivers uppercut to the economy; GST taking its toll on the economy; GST shock wave rattles our economy.

Now here's an interesting article, Mr. Deputy Speaker, referring primarily to their federal cousins, the Tories in Ottawa. The headline here is: Taxes — remember the good old days? Well we might remember the good old days, but the articles goes on to describe the seven years of tax increases we've had from the federal Tories and from their cousins here in Regina. The personal tax grab soars 120 per cent, 120 per cent.

Here's a headline in an article: GST blamed for the economic mess that we're in. The GST on a national level is being blamed for the mess we're in, and this government wants to harmonize the provincial E&H tax to this GST that is killing the national economy. They want to kill our local economy.

Here's some comment, Mr. Deputy Speaker, from consumers interviewed about this tax. Here's a consumer who says: I know that the country and the province are in desperate shape financially but I really think they should look at cutting their own spending before taxing us more. I just feel we are taxed too much as it is.

Here's another consumer. This consumer was looking at

buying a book in a Coles bookstore. He says: The provincial government is forcing Saskatchewan residents to carry the burden of its financial mismanagement. Quote: There aren't a lot of other options but they seem to spend quite foolishly. I don't think we should have to pay for their mistakes.

Here's another consumer who was apparently buying something in a Dairy Queen restaurant, probably for his family. He says: A provincial election is what is needed now, not an extra tax on basic items.

Mr. Speaker, the consumers of Saskatchewan, if they have lost this significant chunk of their disposable income, it can only have an adverse effect on our economy.

Here's a picture of the Finance minister with a big headline above his head that says: Consumers are hit hard.

Here's a quote about the tax credits which the members opposite talk about: Tax credits said not enough — with a quote: very poor people will be partially compensated but lower and middle income people will be hit really hard. They'll be paying all around. That's another headline.

Here's an important headline, Mr. Speaker: More Minot trips likely. More Minot trips likely. You know what's happening in the southern part of our province, Mr. Speaker. I'm sure you do. The border crossings have doubled in recent weeks and months. This tax has been the best promotion for the cities of Minot and Bismarck than anything they could've ever done. Mr. Speaker, people are voting with their feet on this tax.

Another headline: Restaurants want the tax delayed. Retailers flabbergasted at the new provincial levy. Tax increase was a shock. Sales tax might hasten the closure of a city bookstore. Moose Jaw eateries veto tax.

Here's an important quote from a restaurant operator in Moose Jaw. He says, how long can you let the government push you around? Mr. Deputy Speaker, he sees his business suffering on a daily basis because of the arrogance of this government.

Here from *The Estevan Mercury*, Mr. Speaker, from *The Estevan Mercury*, "Double tax bite takes its toll in the Energy City," with this quote: "Eight hundred cars a day going through the border at one customs port. I would think that is telling us something." What I want to know is why isn't it telling the members opposite something?

(1230)

Here's another from *The Estevan Mercury*: The closure of the Estevan Co-op, Kensington Centre. Mr. Deputy Speaker, this article says:

Despite megaprojects that are being constructed in this area, such as Shand and Rafferty . . . the spinoffs were not accrued in this community the way it was expected.

Mr. Deputy Speaker — Driving them south — another editorial: business men say taxes are killing the border businesses.

Now, Mr. Deputy Speaker, I want to quote another article, a comment that appeared in the Regina *Leader-Post*. And this article is entitled, "The cost of political stupidity." Here's how the columnist ends his article:

With one blunder after the next on the PST bill, it's difficult to believe the Tories have any idea what they're doing. And guess who will eventually wind up paying handsomely for this Tory stupidity in both principal and interest?

Well who's paying for all the waste and mismanagement? They're asking the households and families of Saskatchewan, Mr. Speaker.

Mr. Speaker, I argue that our economy simply cannot stand this tax. I argue that our economy simply cannot stand the job loss that's going to accrue from this tax. And, Mr. Speaker, I would argue that this tax is threatening some of the positive future that our province can look forward to.

And I want to digress just for a moment to my own community, the community of Moose Jaw. We are looking forward . . .

The Speaker: — Order. Why is the hon. member from Assiniboia-Gravelbourg on his feet?

Hon. Mr. Wolfe: — Mr. Speaker, I ask leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Wolfe: — Thank you, Mr. Speaker. I'd like to introduce to you, and through you to all members of the Legislative Assembly, 19 grade 8 and 9 students from Gravelbourg High School in Gravelbourg.

Mr. Speaker, the students are accompanied by Rosemarie Geoffrion Brown, their teacher, and driver Leonard Lafreniere from Gravelbourg. Mr. Speaker, I ask all members of the Assembly to welcome these guests.

Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker. I want to join with the member from Assiniboia-Gravelbourg in welcoming the students from Gravelbourg. It was my privilege to spend three of the happiest years of my life living in the community of Gravelbourg where I had the happy occasion to make the acquaintance of your teacher. I too welcome you to the Assembly. I hope you enjoy your visit here and your visit in Regina, and the comments that you will hear in this House today.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 61 (continued)

Mr. Calvert: — Mr. Speaker, I want to indicate how I believe that this PST, this Bill 61, this harmonization proposal, this addition of E&H to restaurant meals and so on, not only is it hurting the economy currently, but will serve to hurt potential in our economy. And I refer to my own community of Moose Jaw, Mr. Speaker.

Mr. Speaker, Moose Jaw has a bright future in our tourism potential. Mr. Speaker, already you well know that Moose Jaw on an annual basis welcomes thousands of visitors to our community, to our parks, our Western Development Museum, to those exceptional events like the Kinsmen Band Festival and the annual air show. We already are a community that welcomes thousands of visitors to our community, and I might say from far beyond the borders of the province of Saskatchewan. But the potential in tourism in the community of Moose Jaw, never mind for our province as a total, but just for the community of Moose Jaw is great, Mr. Speaker.

This summer there will be nine or ten more major murals painted in the city of Moose Jaw to join the three murals that were painted last summer. These, Mr. Speaker, I invite you to Moose Jaw to see them. Two and three storeys tall, beautiful works of art. There will be nine or ten more completed by the end of this summer — an important tourist draw to the community of Moose Jaw and to the province of Saskatchewan.

Mr. Speaker, we have potential in Moose Jaw for a world class geothermal spa facility to join the spa facility at Watrous, to become a major tourist draw, not only to the city of Moose Jaw . . . (inaudible interjection) . . . If the member from Assiniboia would just listen, would just listen.

Mr. Speaker, this potential that exists in Moose Jaw for a geothermal spa has the potential to bring visitors from Manitoba, from Alberta, from North Dakota, South Dakota, Montana. It has a great drawing potential.

Mr. Speaker, our Western Development Museum in Moose Jaw just weeks ago made an announcement of the formation, and with the co-operation — I give due credit to this government — with the co-operation of this government, made the announcement of a Snowbirds' gallery to be located in Moose Jaw in the Western Development Museum. It will be, Mr. Speaker, I guarantee you, a world class exhibit that will draw people from all parts of Canada and all parts of the United States.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, there is great potential in the community of Moose Jaw to draw the tourist and the traveller and the visitor, just as there is great potential in this city, just as there is great potential in Rockglen, just as there is great potential in Gravelbourg, Mr. Speaker, just as there is great potential in the North.

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

There are a good number of members who may wish to enter the debate. Included in that group are those who have already been in the debate as well as those waiting. If they would be patient, they will have their opportunity.

Mr. Calvert: — Mr. Speaker, I have in past, in public, in this House and elsewhere, indicated that I thought one of the decent things this government has done has been in some of its tourism work. Now I exclude this whole campaign using Maxwell Smart and the KAOS in Saskatchewan ads. But excusing those, Mr. Speaker, I have said in past and will say again, that one of the more decent things this government has done has been in the work of tourism.

Now here we are with all of this potential in the city of Moose Jaw, all of this potential in the province of Saskatchewan, with a government that has announced in past it is part of their economic agenda. Mr. Speaker, I think with agreement from all that this can be a significant part of our economic future in the province. And now what do we have? The tax proposal . . .

The Speaker: — Order, order. Order, order, order. The Minister of Finance and the member for Regina Elphinstone are conducting a separate debate. I ask them to refrain and give their undivided attention to the member from Moose Jaw South.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Thank you. Thank you. Mr. Speaker, I must say the interruptions from the veterinarian college over there are causing me, Mr. Speaker, to . . .

The Speaker: — Now I'm going to interrupt again. I think that we've reached a point where truly the hon. members should co-operate. I think we've reached that point. Just allow the member from Moose Jaw South to continue. Just let him continue without constant interruptions. Members on both sides of the House are guilty, so I'm asking all members to co-operate. The member for Regina Centre I'm sure has heard that.

Mr. Calvert: — Thank you, Mr. Speaker. As I was saying, with all of the interruptions from across the way there, I'm . . .

The Speaker: — Order. Now I also ask the member honestly to not provoke further interruptions and simply to get on with his remarks.

Some Hon. Members: Hear, hear!

Mr. Calvert: — The fact of the matter is, Mr. Speaker, I am being moved to extend the length of my remarks. That's what's happening here.

Mr. Speaker, the point that I have been trying to make is that, one, we have set, as at least a part of our economic agenda in the community I represent and in this province, the development and encouragement of tourism, of visitors to this province and to our communities from outside the bounds of this province. We have, Mr. Speaker, without question, great potential to do just that. We have much to offer, Mr. Speaker.

Now what do we have but a government that will introduce a tax Bill and a tax regime that will defeat every one of our good efforts to build tourism in Saskatchewan. There's just no question about it, Mr. Speaker.

The tourists who will drive into Saskatchewan . . . let's say they're coming from Alberta; they want to go into the Cypress Hills Park. Well they may want to stop at Maple Creek and have a restaurant meal. They'll sit there in Maple Creek and they'll find when they come to pay the tab the biggest shock they've encountered in a long time — 14 per cent tax on their bill.

Now, Mr. Speaker, I'm very afraid that those same visitors from Alberta will get back in their car and head straight south or straight west or put it in high gear and head straight east out of our province. And, Mr. Speaker, it's an insidious thing because that same carload will some day return home, and they'll be telling their friends and neighbours: avoid Saskatchewan; they tax you to death over there.

Mr. Speaker, it makes no sense when we are endeavouring to build this tourism segment of our economy to be hitting that very same hospitality industry with the single largest tax increase in this province's history. It just makes no economic sense.

So, Mr. Speaker, I conclude on this point that this tax is simply not sustainable. We're in an economy that has already lost 75,000 of its people. We're in an economy that suffers from international trade wars in agriculture. We're in an economy that has been hit by inflation, that's been hit by a 7 per cent federal goods and services tax. And now we've got a Conservative government in Regina that wants to hit us with 7 per cent more tax. I say, Mr. Speaker, the economy simply cannot sustain it.

Related to the question of sustainability, Mr. Speaker, is a question of wisdom. Does this tax in some way reshape society, offer tools to our society that we would want to see happen? Now it's not very often, Mr. Speaker, that I get a phone call from the Northwest Territories on any issue. But I tell you, Mr. Speaker, that I had a phone call from the Northwest Territories on this tax.

A young woman born and raised on a farm up near the Tugaskie-Eyebrow-Keeler district, who has really devoted her life to young people, worked in church camps, studied in the College of Education, and is now living in the Northwest Territories teaching school, she follows events in the province. She called me to express her shock, her disbelief, that the Government of Saskatchewan would now be taxing reading materials. She simply couldn't believe it. She phoned me to see if this in fact was true. I reported yes, we are now to my knowledge the only jurisdiction in the free world that puts a tax on reading materials.

Mr. Speaker, this young woman took the time to express her views through a letter to the Minister of Finance. There's no need for me to table this letter today; he has a copy of it. She provided me a copy, and I want to just quote some of this letter:

I would like to believe

(she says to the Minister of Finance) that you act in what you believe to be in the best interests of the majority of the people in Saskatchewan. However, (she says) if you think that the proposed tax on reading materials is in the interest of the majority, I firmly believe you are badly mistaken.

She says, Mr. Finance Minister, the former minister of Education.

(1245)

She says, regarding this tax on reading, she said:

This can only be detrimental to our society. I fail to see how this inclusion in the proposed tax serves anyone at all. People seeking information or diversion are not served. Workers and professionals seeking to increase their knowledge or expertise in the field are not served. Students reaching for helpful and gainful careers are not served. Authors, publishers and book sellers are not served. But the hardest hit are the most vulnerable. When access to education and enrichment are restricted, by any means, it is the learner, whether child or adult, who suffers most.

She goes on in her letter to the Minister of Finance. Well she goes on in her letter to the Minister of Finance to talk about literacy and illiteracy. And she concludes, Mr. Speaker, by saying this:

Illiteracy is one of the great ills, not only of our province, but of our country and our world. It contributes to poverty, misery, unemployment and ignorance. It correlates suspiciously to racism, delinquency, and violence. There is a cure.

She points out:

To my knowledge, it has never been the way of this sometimes great country to tax health. As you would not tax a cure for cancer, do not tax one of the few known antidotes to poverty.

Please do not tax literacy.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, how can the government opposite claim it is wise? How can they claim it is in the best interest of the society that we would want to shape, to tax reading, to tax literacy, to tax education? Mr. Speaker, on this test of this tax, on the test of sustainability and its wisdom, I believe this tax fails the test and fails it badly, Mr. Speaker.

On the fourth test, Mr. Speaker, and it's on this point that I will begin to conclude my remarks. On the fourth test, does the government of the day enjoy a mandate to impose this kind of tax? Well, Mr. Speaker, if I could observe what I believe to be true, this government with this Bill has presented to its own supporters the ultimate betrayal. Not only have they betrayed the people of Saskatchewan, they've betrayed their own supporters.

You remember, Mr. Speaker, I'm sure you remember, Mr. Speaker, 1982 and when the government opposite was first elected. There was a great deal of goodwill toward the government. They had won a large majority and the people of Saskatchewan looked forward to good things. And the people of Saskatchewan trusted them.

Well we've come now to what I think is the ultimate betrayal of the trust that the people of Saskatchewan put in this government in 1982. Mr. Speaker, when this government was elected, the people of Saskatchewan thought they were electing a government that would sustain our social programs in health and education. They thought, they assumed, that the government opposite would in fact improve them. That has been betrayed, Mr. Speaker.

They thought when they elected this government, they were electing a business-like government, a government that would operate in a business-like fashion and with efficiency. That's what the people of Saskatchewan expected. They thought that's what they had elected. Well that's been betrayed. I mean, every year they've been in office they've run a deficit government. They've never come close to balancing a budget, profligate waste and mismanagement.

But now, Mr. Speaker, we come to the eighth month of their fifth year and the final betrayal. Because when the people of Saskatchewan elected this government in 1982, they thought they were getting a government that would be a low-tax government, a government that wouldn't tax the ordinary people of our province. And it was not surprising, Mr. Speaker, that the people of Saskatchewan when they voted this government in, in 1982, believed that they were in fact electing . . .

The Speaker: — Order, order. Now once again there are several members who wish to enter the debate.

An Hon. Member: — We're just wishing each other well for the weekend, Mr. Speaker.

The Speaker: — One hon. member says they're wishing each other well, and that is a very, very laudable and noble act, and I think that's a good idea. However, let's wait till the member from Moose Jaw South has concluded his remarks.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Well, Mr. Deputy Speaker, as I move to the conclusion of my remarks, the point I'm making is this: this government has betrayed the trust . . . sorry, Mr. Speaker. This government has betrayed the trust that was placed in them in 1982. When the people of Saskatchewan voted for this group of men and women in 1982, they thought they were getting a low-tax government.

And is it any wonder they thought they were getting a low-tax government? Now here's a picture. I have in front of me an ad — a campaign ad that comes from 1982 — and on it I see the picture of the member who spoke just prior to my intervention in this debate, the member from

Shell-Torch. Now what did the member from Shell-Torch tell his potential constituents before 1982?

Well he says right here in his literature he's going to phase out the provincial sales tax. He's going to phase it out, going to phase it out. And then he goes on to say, then he says: I and the government I'm a part of will reduce personal income tax by 10 per cent.

Now here, Mr. Speaker, I see a picture of the member from Saltcoats, the current member from Saltcoats. And when he was asking his constituents to vote for him he said to them, well I'll reduce your provincial income tax. This is the member from Saltcoats. Before his election he said to the constituents, his potential constituents, I will reduce the provincial income tax — that's what he said — and by 10 per cent. And then he also said, I will eliminate the sales tax. That's what he said.

I could go on, Mr. Speaker. I don't want to take the time of the House except to point to this 1982 campaign brochure. On the face of this brochure I see a picture of the current member from Estevan, the current Premier of the province of Saskatchewan.

And it says right above his picture, the big word, commitment. This was the Premier's commitment to the people of Saskatchewan in 1982, in big, bold print, I will eliminate the 5 per cent sales tax, it says right here.

Well they were elected, Mr. Speaker, on that basis. They were elected on the basis of being a low tax government. And they have consistently since their election betrayed the trust.

Mr. Speaker, when you have betrayed the trust of those who have elected you, I argue, Mr. Speaker, you have no mandate. You have no mandate left.

If a government wants to impose this kind of major tax increase on the people of Saskatchewan, if a government wants to take \$440 million out of the pocket-books and bank accounts and household incomes of Saskatchewan people, they should have a mandate to do so. And, Mr. Speaker, with the thousands of people who have signed petitions and brought them to this legislature, I agree they should call an election before they impose this tax.

Here we are, Mr. Speaker, here we are in the eighth month of their fifth year of a four-year mandate. The people of Saskatchewan give governments in this province four years. Four years. That's the tradition here. That's the tradition. That's the tradition and they have violated the tradition, Mr. Deputy Speaker. They're hanging on for the last breath.

But, Mr. Speaker, mandates are not only a factor of winning elections. Mandates are a factor of trust. And, Mr. Speaker, this government has lost the trust of Saskatchewan people. That's where they've lost their mandate. They have lost the trust of Saskatchewan people. They have betrayed the people of Saskatchewan.

And, Mr. Speaker, I want to go on to say that mandate is not only a matter of winning elections and it's not only a matter of maintaining and earning the trust of people,

mandate depends on remaining in touch with people.

And, Mr. Speaker, what we see here in this House, and it's evidenced like it's never been evidenced before by this Bill, we see a government that is so completely out of touch with the reality of Saskatchewan people that they have no mandate left.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, maybe it's a disease of old governments that you can grow so completely out of touch with where people are at. Maybe it's a disease of old governments that you become sort of like an island of arrogance here in the marble palace of the legislature so that they sit there in this island of arrogance and they won't listen.

People from every part of the province from every walk of life — from rural Saskatchewan, urban Saskatchewan, the business community, the working people, young people, seniors — are saying we can't stand this tax. It's not necessary. It's not fair. But they sit in here in this island of arrogance, and they won't listen. They're not hearing.

People are filling the galleries. They're petitioning the legislature. They're phoning the members. And the government, like an island of arrogance, won't listen. Mr. Speaker, when a government is so out of touch, I say it has lost its mandate.

And, Mr. Speaker, finally this point. It is obvious even to the most passing of observers to the political scene in Saskatchewan that this government has set out a political agenda, a political agenda which it thinks can win at the next election. That political agenda is a part of this tax. It's a part of the whole decentralization program. It's a part of almost everything they say or do.

And their political agenda, Mr. Speaker, is to divide this province, to divide the people of this province. That's their political agenda because they think mistakenly that it's their way back in. They've chosen a political agenda that seeks to set the urban Saskatchewan person against rural Saskatchewan people. They've got a political agenda that attempts to set working people against farming people, young people against senior people. Mr. Speaker, in my view, any government that sets out to purposely for its own political benefit divide a province, no longer deserves to govern in that province, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, there's a better way. There is a better way for Saskatchewan. There is a way that will see a government that deals fairly with its people. There is a way for governments to begin to live within their means. There are ways of fair taxation where every segment of our society can pay its fair share. And there is a way, there is a better way, Mr. Speaker, of drawing this province together and not driving us apart.

Mr. Speaker, let me conclude with an illustration from the front cover of the *Presbyterian Record*, the front cover of that magazine not so long ago. On the front of that

magazine, Mr. Speaker, appeared a small boat caught in a storm at sea, and in that boat a handful of people each with their hands on the oars. And the poster, the picture, the cover of that *Presbyterian Record* was captioned with these words, Mr. Deputy Speaker: We are all afloat on a stormy sea and we owe each other a terrible loyalty.

Mr. Speaker, it's time in Saskatchewan for a government that will build the loyalties between urban Saskatchewan and rural Saskatchewan, between working people and farming people, between young people and old people. It's time for a government that will build this province and not seek to divide it for their own political advantage.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Mr. Speaker, because I believe Bill 61 plays into that strategy, if for no other reason, if for no other reason, I will vote against Bill 61.

Some Hon. Members: Hear, hear!

The Assembly adjourned at 1 p.m.