

## EVENING SITTING

## 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. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, before the break I talked about how this proposal for a 7 per cent provincial GST (goods and services tax) is a wrong tax, the wrong time, by the wrong government. We dealt with the question of it being the wrong kind of tax to impose on the people of Saskatchewan because it's a regressive tax.

And we suggested that the government should look to other sources of revenue if it felt that revenues was the problem rather than expenditures. We would suggest, and I'll go on to talk more about this, that the government needs to look first at its expenditures and what it is that it is spending money on with a view to cutting out the great amount of waste and mismanagement that the people of Saskatchewan have seen from this government over the course of the last nine years.

But I'm prepared to also look at revenue sources, other sources of revenue that the government might entertain. I suggested that a tougher government, a more patient government might be able to induce greater revenues from the Crown Investments Corporation, not from the traditional Crowns which have been stripped of dividends, but from some of the investments that have been made by this government.

And I mentioned the Weyerhaeuser corporation, where the government gave — gave — a \$248 million capital facility to Weyerhaeuser corporation of Tacoma, Washington, with no expectation that it should be paid back before 30 years, no down payment. And although this deal was consummated some years ago, the people of Saskatchewan have yet to realize 1 cent.

And it's ironic, Mr. Speaker, ironic that at a time that we should be asking the people of Saskatchewan to cough up another \$445 million, the government has the temerity, the temerity to not approach Weyerhaeuser corporation for one red penny, not one, Mr. Speaker. And they could help a little; they could help a lot.

I also suggested, Mr. Speaker, that the government needs to look at the royalties that it's getting from oil companies in Saskatchewan, and I pointed out that 10 years ago in Saskatchewan we had oil royalties of about one-half billion dollars, \$500 million; that oil royalties this year are forecasted to be \$252 million, one-half, one-half of what they were 10 years ago. And I don't know of any other group in our society, in our province, that is paying taxes at half the rate that it was paying at 10 years ago. Certainly the people of Saskatchewan, the people who

live here, the consumers of Saskatchewan, are paying more, much more, and notwithstanding the promises that they made prior to the election; that the oil companies are paying one-half of what they paid then. We say it's time we had a little chat with them about further revenues from that source, Mr. Speaker.

And of course I was heckled; I was heckled when I suggested that. I was heckled by the Minister of Energy, the chief apologist on that side for the oil companies. But we want to enter into direct negotiation with the oil companies, not through his apologist frame of mind, Mr. Speaker.

Mr. Speaker, the other aspect of revenues that I wanted to look at is the question of receipts from other governments. These are in the main, I take it, receipts from the federal government and amount to about \$1.2 billion of the \$4.5 billion total revenue in the budget. And one of the concerns that we have expressed on this side of the House is the approach by the federal government in recent years to off-load some of its fiscal problems and fiscal mismanagement onto the provinces of Canada. We have seen the federal government take the position that the federal government should be paying less when it comes to supporting health and education and other programs that are . . . where it's desirable to have some Canadian national standards and presence.

And what's happened is that — and it's conceded by the minister opposite — that the federal government has downed or off-loaded responsibilities onto the province. Yet this is a province that has said very little. This is the province that has not stood up to Ottawa. This is a province where the Premier is always the first to congratulate Ottawa on anything that it does, the first to support Ottawa on anything it does.

You have to remember, Mr. Speaker, that years ago when the federal government wanted to, to the consternation of all the Canadians, wanted to cut out indexing of pensions for senior citizens, this Premier supported them.

You have to remember, Mr. Speaker, that when Ottawa first came up with this insane notion of a 7 per cent goods and services tax, there is one Premier in Canada, one Premier only that supported them at that time, and supported them initially, and that was the Premier of Saskatchewan.

So with that kind of representation, it's little wonder that Ottawa is able to roll over the provinces and to get its way when it comes to off-loading fiscal responsibilities, something that has major implications for a budget. And if we had a government that was tough and resolute and patient in its dealings with Ottawa, I venture to say that we would get more money out of Ottawa than has been the case with this government, Mr. Speaker.

Mr. Speaker, there is one area that concerns me greatly and I mentioned it earlier when I talked about corporation taxes. And I want to talk about it now in the context of receipts from other governments. And perhaps it's something that should be dealt with in taxes *per se*. But this is the question of corporation taxes which are not

now being paid by companies in Canada, and a share of which, a share of which, which would then go to the provincial government if the federal government were doing its job in terms of collecting taxes. And I just want to point out, Mr. Speaker, that Ottawa's take from personal income taxes soared 120 per cent — double the rate which the economy grew over the period since 1984 — while sales and excise taxes jumped by 100 per cent. Only corporations escaped a tax grab. The annual take from businesses rose by only 4 billion to 11.4 billion last year.

Mr. Speaker, the point that I'm getting to is that it's widely acknowledged that there are any number of major corporations, which because of lax federal policies, which because of loopholes in federal tax law, are not paying their fair share of the tax load in Canada. And if these corporations were able to pay their fair share of the tax load in Canada it would mean that the federal government would be less pressed to off-load its fiscal responsibilities on to the provinces. It would mean that if these corporations paid their fair share of tax, a percentage of that would also go to the province and it would enhance provincial revenues.

I submit that these revenues would be significant. I submit that if the provincial government took the position of working with other provincial governments to go after Ottawa, to get tough with these corporations, we wouldn't see the need for a goods and services tax at the provincial level. We wouldn't see the need to gouge the taxpayers with another \$445 million, Mr. Speaker, this year.

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

**Mr. Van Mulligen:** — Mr. Speaker, in 1988 the corporate tax rate was reduced from 36 per cent to 28 per cent. More than 60,000 corporations paid no taxes at all — 60,000 corporations — and they include . . . and I have one here, Algoma Steel, which made profits of \$80 million; paid zero in taxes, Mr. Speaker. Now I don't know anyone that earns a salary in Saskatchewan, that earns a wage, that is in that position, that's making 30 or \$40,000 or \$50,000 that is able to escape paying all taxes. Yet Algoma Steel with profits of 80 million was able to avoid paying taxes. Bramalea Corporation — Bramalea which is, I understand, a major holder of housing projects and commercial development projects, had profits of \$33 million, paid no taxes. Brascan Corporation, profits of \$263 million, paid no taxes; Confederation Life Insurance, \$62 million in profits, paid no taxes; Standard Trust Co., \$13 million in taxes . . . or in profits, paid no taxes; Tridel Corporation, \$72 million in profits, paid no taxes; Xerox Canada, Mr. Speaker, \$74 million in profits, paid no taxes; and the list goes on and on and on.

But in addition to contributing nothing to federal tax revenues, there were a number of companies who also received tax credits, and this is in 1988, the last year I have the information for. Hemlo Gold Mines, Mr. Speaker — mining for gold, these people were also able to mine the public because they made profits of \$43 million, but also received a tax credit of \$2.73 million and paid not 1 cent in taxes, not 1 cent in taxes.

And I don't know of any people in Saskatchewan, the major portion of the Saskatchewan public, who get up in the morning and go to work and they put in their seven or eight hours and they draw a wage and their taxes are deducted at source — I don't know any of them that are able to get those kinds of breaks, Mr. Speaker.

But these companies are getting breaks from a Tory government in Ottawa, a Tory government with entirely the wrong priorities and a lap-dog provincial government that says, whatever you want to do, Mr. Mulroney, is fine with us; we'll go along with you. If you want to exempt these corporations from taxes, so be it; if you not only want to exempt them, but give them tax credits on top of that, so be it, we'll go along with you.

We'll go along with the Power Corporation, one of the major corporations in this country, which had profits of \$214 million in 1988, but also received a \$2.12 million tax credit from Ottawa and paid not one penny in taxes, not one penny in taxes. Mind you, they did pay \$72,000 in political donations to the PC (Progressive Conservative) Party, Mr. Speaker, but I wouldn't go so far as to draw any connection between a political contribution such as that and the attitudes of the federal government.

But it sure gives one pause for consideration and causes one to think about connections that just might be there even though I won't suggest, Mr. Speaker, that those connections are there. But there seems to be that threat running throughout, that these major companies that don't pay any in taxes are all major contributors to the PC Party federally, Mr. Speaker. But I'm sure that it's just one of those coincidences in life and that there is no direct relationship.

But again, Mr. Speaker, the point . . . My colleague, here, says that I'm being kind. Well, Mr. Speaker, I'm less than charitable . . . I'm less than kind, though, when it comes to the perceived lack of action on the part of the provincial government on this matter. That this government would see fit to gouge the Saskatchewan public to the extent of \$445 million, but doesn't see fit to say one word — not one — to Ottawa about these corporations that are not paying any taxes. And I think there is an irony, a discrepancy that cannot escape the attention of the people of Saskatchewan, Mr. Speaker.

And they're just silent. I mean the Minister of Finance cannot table, has never tabled, I'd venture to say will never table, any correspondence from him to his federal colleague in saying, now look . . . Who is it today? Who is the federal Finance . . . Look Don, why don't you take some actions against Bramalea and Brascan and Standard Trust Co. and Xerox Canada. We note they haven't been paying any taxes and, Don, you should go after them and get some tax revenue because then you wouldn't have to off-load your problems on to the provinces. That way we would get our share of the taxes too; that way we'd all be in better position; that way we wouldn't have to impose the 7 per cent GST, Mr. Speaker.

(1915)

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

**Mr. Van Mulligen:** — But, Mr. Speaker, there is no correspondence like that. It's because these Tories don't believe in doing that. These Tories believe — they have this naive notion — in this trickle-down theory. It goes along something like this: that if we give lots of breaks to Brascan, Brascan will create jobs and wealth and will do all kinds of wonderful things and all the benefits will trickle down to the rest of the population. So the most important thing is to support Brascan. And if it means giving Brascan an unequal advantage relative to anyone else in society, that's what we need to do. That's the position they take in the hopes it will all trickle down.

Well Tommy Douglas called that the oats and sparrows theory, Mr. Speaker. I remember him talking about that. He said the Tories had this theory that if you give all the oats to the horse, sooner or later some will be left behind for the sparrows to get at. And that's what's happening here, Mr. Speaker.

As opposed to going after these companies and saying it's time you paid your fair share — isn't that a refreshing thing that somebody's paying their fair share — it's time you paid your fair share of taxes in this country; as opposed to saying that they're saying to the Saskatchewan public, there is no other alternative. We've got to take more money out of your pockets; we need your money; we've got to tax you more. And every time you go to buy something we're going to tax you some more because we really need the money.

Tax kids, tax seniors, tax books, tax running shoes and blue jeans, tax every darn thing in the province, Mr. Speaker. But they won't lift one finger to go after to Ottawa, to go after these corporations to pay their fair share.

I tell you something, Mr. Speaker. This government won't sit idly by. This party won't sit idly by. I tell you if we're the government of Saskatchewan we'll tell Ottawa to start collecting from those companies.

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

**Mr. Van Mulligen:** — We'll tell them to start paying their fair share. We're not going to sit back. We know who our friends are. We know who's important to us and that's the people of Saskatchewan — not Brascan, not Xerox Canada. This old theory of the Tories that if we give favour to a few corporations, it'll be good for all of us, has got to be thrown out the window, thrown out the window with the Tory government, Mr. Speaker.

It's time to stand up for people, Mr. Speaker. That's what this government will do. That's what this party will do in government. We don't see the Tories doing that. And it's no wonder that 80 per cent of the population don't support them in this sales tax because they know what's going on. Eighty per cent of the population is kind of asking themselves, well how come is it that the Royal Bank of Canada, one of the largest and most profitable companies in the country, gets away without paying any taxes, or the taxes that it pays is less than the taxes paid by one of its tellers. Now what kind of sense does that make? And why is the government asking me for more money

when it won't even ask the shareholders of the Royal Bank? What kind of priorities is that?

The people of Saskatchewan know. The people of Saskatchewan are not fooled by the arguments from the members opposite. And I don't believe that all the back-benchers opposite are fooled by the arguments being put forward by the front bench. They see through the suggestion of the Minister of Finance. They laugh behind his back at this GST that he's putting forward, this last minute gouge of the taxpayers five, six months before a provincial election.

Yes they scratch their heads too at this sort of unprecedented stupidity on the part of their Minister of Finance. And they thought they had seen it all in terms of ministers of Finance, I mean . . . and they've had some dillies in Saskatchewan, Mr. Speaker, they've had some dillies. I tell you, I tell you, Mr. Speaker, when some future student of political science or economics or public administration does a paper on finance ministers of Saskatchewan, I venture to say that the Tory's finance ministers will rate low because they're the only ones that seem to be consistently running up huge deficits and horribly miscalculating the state of affairs of Saskatchewan, Mr. Speaker. Mr. Speaker, and old finance ministers . . . but one thing about old finance ministers is they know how to look after themselves, Mr. Speaker.

The first minister of Finance, Bob Andrew — you all remember Bob with his great ideas, ethereal notions about how it's better to have a simulated deficit than to balance the budget. Bob, who's gone on to his just rewards as the province's trade commissioner in Minneapolis, Mr. Speaker.

And of course the last minister of Finance is reportedly angling for an appointment to the Bench. And people say here comes the judge when he enters the House. But, Mr. Speaker, that's neither here nor there; that's not important. What is important is that there are alternatives to the goods and services tax, that we don't need a provincial sales tax to be harmonized with a federal goods and services tax. We don't need to gouge the Saskatchewan public for \$445 million.

We need to look at, or at least if they want to, they need to look at other revenues. They need to get tough with the oil companies in Saskatchewan. We need to get our proper and just rewards. We need to get our fair share. And they need to get tough with . . . and they need to understand that the place of the government isn't to give away money to out-of-province corporations, whether it's Cargill or Weyerhaeuser. And they need to understand that there are too many companies in Canada that are not paying enough in taxes and that we should be going after them to pay their fair share before we go after the people of the province, Mr. Speaker.

Mr. Speaker, I think I've dealt with the question of alternatives to the tax. I want to now turn to the alternative that we would suggest the government take as its primary course, that is opposed to looking to revenues first, that the government should be looking at the question of how much it's spending and to see if there are ways that the government can reduce the expenditures of government

so as to reduce the need for other tax revenues such as this GST, Mr. Speaker.

And, Mr. Speaker, the thing that I'm talking about of course is the need to eliminate waste and mismanagement in Saskatchewan. Mr. Speaker, there's many examples of waste and mismanagement in Saskatchewan that have been raised in this Assembly and raised by the public in recent years — advertising, government printing, government travel.

For example, an 80 per cent cut in government advertising would save \$17.6 million; a 66 per cent cut in government printing would save another \$24.6 million; a 33 per cent cut in government travel would save taxpayers \$17 million a year.

Now I know the last one especially is tough for the government to swallow. I know that today the minister of Urban Affairs for example was picked up here with some of his officials, was flown to Hudson Bay. He made his speech and he was flown back again. His officials were left there; they'll be picked up by another trip. Here is all these planes flying back and forth. Well it's no wonder they don't care about the highways going to seed in Saskatchewan because they never travel on the highways, Mr. Speaker. They fly over the highways.

But you know, there are ways to cut back. You don't need to advertise to the people of Saskatchewan about the benefits of community bonds. You don't need to advertise to the people of Saskatchewan about how important agriculture is in their lives without saying one other thing. That's just what you call institutional advertising. It's what you call political advertising. It doesn't purport to talk about any specific service of government that might be important to the people and that they need to know about. It's just sort of feathering your own nest. It's just putting gloss . . . shining your own boots. There's nothing there, Mr. Speaker, except waste and mismanagement.

And I know members opposite are defensive about how it might impact on the advertising industry in Saskatchewan. Well they might be concerned about their rich, well-paid, millionaire friends in the advertising business, Mr. Speaker. I tell you, I'm more concerned about John Doe taxpayer, John and Mary Doe taxpayers of Saskatchewan who are being imposed upon by the provincial government to dig deeper and dig deeper and dig deeper to pay for their waste and mismanagement. It's like these people have never heard the phrase, "waste not, want not."

The list goes on, Mr. Speaker. Some of these things that I'm going to raise have been raised before, Mr. Speaker, but I think that it's important for people to remember some of the ways in which government has wasted their money so that they can understand that if you end the waste, you eliminate the need for further taxes.

They wasted \$5.5 million on GigaText. They wasted \$1.2 million in Joytec which was supposed to be building a computerized golf simulation game. They wasted \$681 million on Supercart. They spent \$27,000, \$27,000 — and it's not much, Mr. Speaker, given the overall realm of things, but all these things add up — but they gave

\$27,000 to buy a Citroën, a luxury European automobile, for the PC government's agent-general in London, England, former cabinet minister, Paul Rousseau.

You know, here you are in a province that's at the brink of economic disaster. Here's a province that's about to impose the largest tax grab in Saskatchewan history because, according to the government, we're in such dire circumstances that we absolutely need the revenue from that source. Here's a province where the wheat economy has just evaporated, Mr. Speaker. Here is a province where thousands are leaving because of lack of opportunities. Here is a province that leads all others in bankruptcies. Here is a province that leads all others in personal income tax. Here's a province that leads the country in bad news economically, Mr. Speaker. But they find they got the money to buy him a luxury automobile in London, England.

Well I tell you, what kind of priority is that? What kind of priority is that? Seventeen thousand dollars expenses run-up by the Premier's office in Regina for the Hotel Saskatchewan in one year — \$17,000.

Well I tell you, Mr. Speaker, these people, once they get elected, they say well you know here, I'm the Premier or I'm a cabinet minister and I'm a big shot and I'm going to run the government, so there's no going down to the cafeteria to line up with the rest of the folks with lunch. Let's just order it in from the hotel. Priorities, Mr. Speaker, priorities. You know it wouldn't hurt the Premier or the cabinet ministers to brown bag it like most of the rest of the population and save us all some money. Priorities, Mr. Speaker, priorities. Waste. Mismanagement.

Another \$19,000 expenses run-up at Regina's Ramada Renaissance Hotel; \$64,000 paid to N.M. Rothschild & Sons Ltd. of London, England for two months of privatization consulting. They would have been better off to not pay them anything, be better off not to have proceeded with the privatization; \$137,000 for a cost of a luxury Regina condominium purchased for GigaText executive, Jean Pierre Paillet.

**The Speaker:** — Order, order. The member for Cut Knife-Lloydminster.

**Mr. Hopfner:** — Thank you, Mr. Speaker. On my point of order, it's just that I'd like to draw to your attention that the member opposite has been reflecting on many, many topics other than the Bill 61 that's before us, which is entitled the PST, the provincial sales tax. And he's wandering all over the place, and I wish you to, if you would, bring him back into order like you have in the past. Thank you.

**The Speaker:** — I have been listening to the hon. member's remarks, and I must agree that he is somewhat wandering from the Bill itself, which is Bill No. 61, and therefore the point of order is well taken. I ask the hon. member to stick more closely to the Bill.

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, at the outset of my remarks I encouraged members to take notes, and why don't you take note to some of the ways that you could save money so that you

don't need this dumb tax that nobody in Saskatchewan wants.

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

(1930)

**Mr. Van Mulligen:** — Why don't you cut out the waste, cut out the mismanagement? Save the taxpayers some money. Waste not, want not. Why don't you follow that approach for a change instead of gouging and gouging and gouging and gouging the way that you do?

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

**Mr. Van Mulligen:** — What's wrong with you people? What's wrong with you? Don't you understand that 80 per cent of the population in this province is mad? They're angry. They're sick and tired of you. They say you got no business exacting this tax at this last minute in your term. You can't do it. Call an election on this. Let them pass judgement as to whether or not it's necessary. But most of all they say, if you need something, cut out your wasteful spending first.

Mr. Speaker, I'd love to get some more examples of that, of where, in my opinion, the government has wasted money. If they hadn't wasted that money we wouldn't see the need for this tax Bill before us now.

I suggest to them that they need to look to alternatives to this tax Bill, and a good alternative would be to cut out some of their spending, the spending that they do with ad agencies; the \$69,000 — the cost of the Premier's month long junket to China, India, Hong Kong, Japan, and Korea in early 1989 to propose the privatization of the Potash Corporation. And you have to ask yourself after spending that \$69,000, after the Premier spent that \$69,000, are you any better off today? Are you better off today because the Premier went out and blew that money? Are we better off in Saskatchewan? No, we're not, Mr. Speaker.

The point is the government should look to eliminate waste and mismanagement. They should stop this foolishness. They should stop this nonsense. Perhaps then we wouldn't have the need for a tax Bill.

I want to provide just one relevant example, Mr. Speaker, and this deals very, very strictly with the provincial sales tax. And this is the matter of the Minister of Finance wasting money, wasting money on promoting the sales tax.

It was brought to my attention, Mr. Speaker, by constituents, that they've received letters from the Minister of Finance after signing their names to petitions, after signing their names to petitions in opposition to the provincial sales tax — to this provincial GST. The Minister of Finance obviously put their names on a computer and paid someone to do it, government people, paid a government employee to enter those names onto a computer to write those people a letter, a two-page letter, a 40 cent stamp — and of course, provincial government doesn't have to pay GST on that, Mr. Speaker — but a 40 cent stamp to say, well, you know, thank you for your recent inquiry.

Well I don't think they're inquiring; I think they were making a statement, Mr. Speaker. But trying to put forward the government's case talking about how this sales tax increase was necessary so they could pay for GRIP (gross revenue insurance plan) and NISA (net income stabilization account), although there's nothing in the Bill about GRIP and NISA.

And we've been through that one before. There's nothing. Not one sentence. Not one line. Not one reference. Nothing, nothing, nothing in this Bill about GRIP and NISA. But it doesn't prevent the Minister of Finance from spinning his little tale about how this is necessary to pay for GRIP and NISA.

In any event, he's writing these people a two-page letter to explain to them why the provincial sales tax is necessary. That's not enough.

That was done on April 15. On May 24, he writes them again, another two-page letter, and encloses a document that he published at the time of the budget, called *CHOICES*, a very substantial document. I don't think the content is substantive, but it certainly had a number of pages. The postage on that, Mr. Speaker, was \$1.80. And, of course, you had the cost of entering the names on the computer; you've got the cost of printing this document, probably \$1; you've got the cost of someone organizing this; you've got the cost of the letterhead; probably you'd engage some company to co-ordinate some of this. Chances are you're looking probably at about \$4 a mailing or \$4 a person who signed their name to petitions.

A conservative estimate is that 100,000 people in Saskatchewan signed their names to petitions, 100,000. And discounting, discounting the half dozen or so that are Daffy Duck or Elmer Fudd or whatever, it still leaves close to 100,000 people who signed their names in opposition to this. Is the minister saying that he's going to carry on with this foolishness and spend close to \$400,000 to get his point of view across, to get his point of view across to people who didn't want it, to people who were signing petitions in opposition? He's going to spend \$400,000 to see if he might convince them to see it his way.

Waste and mismanagement, Mr. Speaker — now here's a good example, directly related to this Bill. If this minister had said, well no, I don't want to play politics with this; these people have expressed their opinion; that's all that needs to be said — but no, he wants to go out and play politics, to put his little spin on it, to send them all kinds of useless information and spend, if he carries on with this, I would estimate \$400,000, Mr. Speaker; \$400,000 that should never have been spent; \$400,000 that shouldn't be spent; \$400,000 which then doesn't need to come from revenues such as a provincial GST. That's the point that I'm making, Mr. Speaker.

Waste not, want not, Mr. Speaker. It's time the minister learned that little lesson. It's time that whole government took that to heart. And if you don't waste money, then you don't need other money. That's what's been happening in Saskatchewan — waste, waste, waste; wasting money and then asking the people for more tax revenues to make

up for what they've squandered. And we can't carry on that way. We're not rich enough as a province. We've got tremendous problems in our society.

We have to start making some tough decisions. We have to start making decisions about whether the government can have the largest cabinet in history and whether we can afford to have every back-bencher as legislative assistants, give them additional pay. We have to ask ourselves if that's a legitimate expenditure of money. We have to ask ourselves whether we can afford luxury automobiles for some of our employees. We have to ask ourselves whether we can afford luxury condominiums for people who are here on some rip-off project. We have to ask ourselves those things, whether we can afford to spend \$400,000 on writing letters to people who are opposed to something.

I venture to say that the Minister of Finance never once, never once asked his staff, how much would it cost me if I were to send out these letters the way that you're suggesting? How much would it cost the taxpayers of Saskatchewan? Have you done some estimate of the costs here? How much would it cost us? And if we didn't do it, could we save some money?

But no, the minister would never think of it that way and which is one of the reasons, one of the reasons, Mr. Speaker, that this province is in big, big trouble, because this government doesn't understand priorities. This government doesn't understand the need to tailor expectations and to tailor spending along the lines of the needs and the wants of the Saskatchewan public. It's a shame, Mr. Speaker, that the government has seen fit to move this way.

Mr. Speaker, as far as I'm concerned, the answer is to locate other revenues, but first of all and primarily, is to eliminate some of the waste and mismanagement in government spending. We estimate that the government could save \$100 million a year — \$100 million a year quickly, Mr. Speaker. And I would venture to say there's lots of other ways that it could save money. Even now with a province that's teetering on the edge of bankruptcies, where liabilities far exceed assets, this province continues on some course to spend money as if it knows no boundaries at all.

Again today we've had announcements of civil servants being moved out of Regina to far-off locations in the province, and the government deciding to spend probably \$50 million in pursuit of a political objective. And the people of Saskatchewan are asking, can we afford that? Can we afford the tax? I have no doubt what they're saying. They're saying, cut out the wasteful expenditures, cut out the tax.

Mr. Speaker, I want to move to another aspect of my comments and this has to do with the fact that this tax is coming at the wrong time. I said in my introduction that not only was the tax wrong and gave reasons to support that, but I said that even if you were inclined to believe, inclined to believe that this is the right kind of taxing mechanism to raise revenues, even if you didn't believe or buy the arguments about this being a regressive tax and we needed to have more progressive taxes, even if you

didn't believe any of those things and felt that for whatever philosophical reasons that a consumption tax was the way to go — I mean I don't think there's one person in Saskatchewan that buys the argument that this is the right time for the tax. Mr. Speaker, this is entirely the wrong time for the tax. Not only is this the wrong tax, but it's the wrong tax at the wrong time.

And what I'm talking about is the effect that this tax will have on the economy of Saskatchewan today and next year. I think most people in Saskatchewan understand that Saskatchewan's economy is in a very tenuous, delicate state, that Saskatchewan has been in the midst of a recession now for some time, that no growth is the order of the day, and that governments need to be very careful about doing anything that might further damage or impair the economy.

Mr. Speaker, the Saskatchewan economy is in a mess, it's in a bad situation, and I think even the government recognizes that. Earlier this year, Mr. Speaker, we were provided with a copy of a book called the *Saskatchewan Economic Forecast 1990-1994*, which was published in February of 1991 and was prepared by the economic and fiscal policy branch of Saskatchewan Finance. This a confidential document that found its way out of the cabinet offices of government into the hands of the people. And the objective of this document is to provide a consistent overview of the economy for internal planning purposes within government departments and Crown corporations. They conclude in their provincial overview, Mr. Speaker, and their forecast highlights are: 1991, recession, grain prices fall, weak agricultural incomes and GST pressure the economy, unemployment higher, migration slows — and I'll get to that in a minute; 1992, recession continues, grain prices continue to fall, investment slows.

Mr. Speaker, what this document concluded or stated was a number of things. First of all the output — they say overall the economy is expected to decline, 0.5 per cent growth. They say with respect to consumer spending . . . And this is a very key and important aspect of my comments because the tax before us directly impacts consumer spending and is the basis for many of the comments that I will make about why this is the wrong time to be imposing any such tax.

Consumer spending is expected to remain weak in real terms as sagging farm incomes and provincial budgetary pressures keep consumers at home. Real consumer spending is expected to decline this year and next . . .

What they're saying about consumer spending is that it's going to remain weak, that it's going to decline. And it raises the question and it begs the question that if consumers are already of a frame of mind to not spend money, if consumers for whatever reasons are not inclined to go out and spend money, why would you impose upon them a further charge which is going to further discourage them from spending money.

Because the economy, Mr. Speaker, is based to a very great extent, if not all, on money being in circulation, of money being circulated round and round. And if you

somehow discourage the circulation of money it impacts strongly, severely on the economy. Well that's what's happening here. Notwithstanding the advice they got from their own officials about consumer spending, this government sees fit now to put this additional charge on consumers in Saskatchewan.

Trade. While exports are expected to be up 10.6 % in 1991 in volume terms the weakening of commodity prices will cause the nominal value of exports to actually decline this year.

The labour market. The unemployment rate is expected to rise to 7.4 % in 1991 . . . reflecting (the) slowing employment growth relative to labour force growth.

Migration and Population. As has been expected, the population declined below 1 million people in 1990. Migration is expected to temporarily stabilize this year as economic prospects across the country weaken. Improving conditions across the country relative to Saskatchewan will cause out-migration to re-accelerate in 1992 and 1993 . . .

(1945)

So migration is expected to temporarily stabilize, or migration won't be as much of a factor in 1991, Mr. Speaker, because the economic situation in all other provinces is so bad. So people won't be exiting quite as rapidly. Nothing here about improving conditions in Saskatchewan in 1991, but just that the rest of the country will be in such bad shape that no one will want to move.

Those are some of the comments from the government's own officials in describing the economic situation in Saskatchewan this year and projected for the next number of years. Other groups have had more to say, Mr. Speaker. The Conference Board came down with a report not too long ago. In their provincial outlook for 1991: Saskatchewan, a weak farm sector and substantial depopulation — 1.4 per cent decline; not .05, but 1.4.

The impact of depressed farm income on consumer spending is also a contributing factor to the poor economic growth predictions, the board stated.

So the Conference Board, which is a fairly authoritative organization, states that Saskatchewan is experiencing hard times. In fact, the headline is, "Outlook for Sask. is bleak".

The only people that seem to have anything positive to say about the provincial economy are the Minister of Finance — but not his officials — and of course, the investment dealers of the Investment Dealers Association, Mr. Speaker, who predict rosy things for Saskatchewan and say that Saskatchewan is just booming and is going to be doing well. But investment dealers, by the nature of their occupation, tend to look on the rosy side of things and tend to look through things . . . look at life through rose-coloured glasses, Mr. Speaker, because if they didn't believe that things were going to get better,

well no one would be investing in the economy, which is how they make their living. So I'm not surprised by their prediction of what's going to happen in Saskatchewan. But then I never have been. I mean, no matter what the circumstances, the investment dealers always find something positive to say about the immediate prospects so as to encourage people to continue to invest.

So it's clear, Mr. Speaker, that the provincial economic situation is poor, that the immediate outlook is poor, and that there are no immediate signals on the horizon which would tell us that there is going to be some turn around. So it's generally accepted by all concerned, except for the government members and of their officials, generally accepted that Saskatchewan is in tough circumstances.

Knowing that as we do, and maybe having some suspicions about how a tax on consumer items might impact consumer spending and further drive the economy into a tail-spin, knowing that as we do, it boggles the mind, Mr. Speaker, that the government would be hell-bent to press on, to continue on with their plan to impose this tax measure on the Saskatchewan public. It defies logic, it defies description, and probably one of the reasons that business groups in Saskatchewan are very concerned, very worried about what it is that the government is doing.

If we didn't need . . . or if a knowledge of the economic situation isn't enough to convince the government about the negative impact that this GST will have in Saskatchewan, one might look to relevant other measures which have been taken by which to judge the impact of this provincial GST, so as to have some forewarning, some idea of what it is that we can expect by pressing ahead with this GST. And of course we don't need to look very far, Mr. Speaker, because Canada, and the people of Saskatchewan included, has just witnessed and experienced the imposition of the goods and services tax throughout the country. So that we are in a position to examine the impact of that tax after some six months of operation, to have some appreciation of what it is that a consumer tax like that will do to the economy.

And I tell you, there's been lots written about that, Mr. Speaker, lots written. If only the government would stop to read and stop to acknowledge that the imposition of a goods and services tax at this point in time is the worst thing that they can do to the economy.

In this Saskatchewan economic forecast that I talked about earlier, there's also a section on Canada, and it states that in talking about consumer expenditures — which again is the important factor here; this is the base for my remarks, and the basis of concern as expressed by business groups in Saskatchewan — consumer spending, money that consumers are putting out to buy products within the jurisdiction, and if consumers stop doing that, then the provincial economy is in severe problems.

But here's what they say about consumer spending and the impact of the GST. This is the government's own economist, Mr. Speaker. They state:

Substantial declines in employment, high interest rates and low levels of consumer confidence not

seen since the 1981-82 recession will all force a stagnation in household spending in the fourth quarter. Finally, the erosion in purchasing power caused by the introduction of the GST in 1991, coupled with the full impact of the declines in employment, is forecast to lead to a significant decline in household spending early in 1991.

Now here's the government's own people acknowledging the erosion of purchasing power which follows the introduction of a goods and services tax, on top of comments that they've already expressed about consumer spending and the economy of Saskatchewan. You'd think that it might cause the Minister of Finance to just pause and stop and say, well, you know, given the shaky state of our economy does it make any sense? Also, given what we know about the imposition of the goods and services tax across the country, does it make any sense now to carry on? Does it make any sense now to carry on and to do this to the Saskatchewan economy at this point in time? My thinking is that if he'd have stopped to think about that and asked some questions about that, we might not see this Bill today. But he didn't.

Here's an article, Mr. Speaker, from *The Globe and Mail*, March 29, and the headline is "GST delivers uppercut to economy." And this is from Ottawa, and these are statistics released by Statistics Canada, but the introductory paragraph is:

The introduction of the goods and services tax knocked the stuffing out of the economy in January, doing the economic equivalent of kicking someone who is already on the ground.

Now here the economy in Saskatchewan is already on the ground, Mr. Speaker. It's already being battered by the imposition of this goods and services tax. On top of that, the Minister of Finance and his colleagues refuse to acknowledge the harmful effect of this tax at this point in time. What they want to do is kick the economy further. They want to give it another shot. Well how much can the Saskatchewan economy withstand?

There is no doubt about what impact the GST has had on the Canadian economy — none whatsoever. There is no doubt about the fragile state in Saskatchewan economy. Why they would want to damage and impair the Saskatchewan economy any further is beyond me, Mr. Speaker. But then there's a lot of things that they do that frankly I don't understand, Mr. Speaker.

Here's another article, and the headline is from May 7 in the *Leader-Post* — "GST 'hurting' hotel business".

The GST cost Canada's hotels up to \$67 million in lost convention business in the first three months of 1991.

And this is according to the Convention and Incentive Travel Association of Canada after it conducted a survey.

Here's a government on the one hand which is spending millions, millions to try to get people from outside of Saskatchewan to visit here for tourism reasons, spending millions to convince Saskatchewan people to stay at

home and to spend their tourism dollars here, but at the same time takes a substantial action which will discourage tourists from coming here and which will discourage Saskatchewan people from spending their money at home. It makes no sense at all.

You'd think you didn't read anything. You'd think you didn't listen to anybody. But the implications are clear. Because it's happened nationally, we understand how a goods and services tax can impact the economy. Mr. Speaker, when will these people listen?

Inflation. Inflation is another thing, Mr. Speaker, that will jump with the goods and services tax. We had some figures recently, Mr. Speaker, and those figures show that in a one-month period between March and April the inflation rate in Saskatoon jumped by 1.3 per cent and in Regina by 1.4 per cent. The average for all of Canada was a zero increase during that one-month period. And here you see a big jump in the inflation rate in Saskatchewan cities because of the goods and services tax, Mr. Speaker.

Well, Mr. Speaker, it's clear to most people in Saskatchewan that this tax does not deserve the time of day; that this tax will do serious harm to the economy. But you can't get the government to listen to what it is that the people are saying; you can't get them to read what the experts are writing, and you can't get them to acknowledge what's going on in this country, Mr. Speaker. And it's a shame, because if they did they wouldn't be bringing this tax before us.

Another implication, Mr. Speaker, of this tax — for this year in any event . . . and I see today that there is some announcement by the federal government, by Otto Jelinek, that they're going to start charging this tax at the border. I don't know about the Alberta border, but they're going to start charging it at the border. And that by charging the tax on the border it's going to reduce the number of cross-border shopping visits that Saskatchewan people are making to the United States to purchase goods that they are no longer prepared to buy in Saskatchewan. Because in Saskatchewan now they're faced with a 14 per cent tax; 7 per cent federal GST, 7 per cent provincial GST.

By January 1 next year that's supposed to be all ended because they're going to start collecting tax at the border. Well don't bet the farm on that, Mr. Speaker. Don't bet the farm that the government is going to be as successful as they hope to be in this matter — don't bet the farm on that. And I'd like to know how they're going to collect the GST at the Alberta border. Are we going to set up a border there, Mr. Speaker? Are we going to hire people to police people coming back and forth and we're going to check them for items? Is that what we're going to do? Don't bet the farm on this measure having great effect.

But I tell you the one thing we do know is that because of the attitude that's created by the Free Trade Agreement where people had some sense that, well now that we have a Free Trade Agreement we can just go across the border and buy whatever we want and it'll be cheaper than it is in Canada. And because of the introduction of the federal goods and services tax across the country, Canadian consumers as never before in our history are

crossing the border to make their purchases in the United States as a way of avoiding what they perceive to be high prices and high taxes in Canada.

Now given that state of affairs, given the fact that we know that and everybody knows that, anybody that's watched the TV news or read a newspaper knows that . . . I mean you can't escape the TV news with TV shots of cars lined up for kilometres on end getting across the border and the government said they're going to speed that up, they're going to have express lines so people can go faster. But you can't escape that; people know that. It's the talk of the town. Everyone's getting out of town, going down to the States because they perceive that they can get some advantage by shopping there.

Now you have to ask yourself, on top of that already taking place throughout Canada, why we would want to exacerbate that here in Saskatchewan. Why would we want to aggravate the problem even further in Saskatchewan? And it may well be a laughing matter to members opposite, Mr. Speaker, but I tell you it's no laughing matter to a number of businesses and leaders in our border communities because they're painfully aware of what is happening.

(2000)

Their sales volumes are down. Their employment needs are down. Their ability to pay income taxes is down as their profits decline and as their employment declines. That's the reality for people in border communities and the government is hanging its hat on one thing and one thing only, and that is the hopes of collecting some of that tax back next year. It won't help people along the Alberta border and I'm not sure what kind of help generally that's going to provide, Mr. Speaker, but I wouldn't bet a whole lot, a whole lot on the government being able to successfully deter shoppers from going across the border, Mr. Speaker.

Just as an example, I have here an article from the *Leader-Post*, on March 28 and the headline is, "More Minot trips likely" and the lead paragraph is:

For one Regina family, the impending seven-per-cent provincial sales tax means more visits to used clothing stores and more shopping trips to the United States.

And the rest is detail. More shopping trips to the United States. That's the effect that the imposition of this 7 per cent provincial GST has had so far. We knew that was going to be the case. That has been the case; it will continue to be the case, and it will get worse in the future.

Why the government would choose this time then to impose the 7 per cent provincial GST is beyond my reasoning and beyond the logical understanding of Saskatchewan people, Mr. Speaker. Certainly it is beyond the logic of business people in Saskatchewan because their theory is that no sales, no tax. If you don't have any sales, you don't pay any tax. If sales are down because of the tax, you reduce tax revenue. If only the government would understand.

Mr. Speaker, I just quickly want to sum up my comments with respect to the economic situation by just relating to you some quotes here about how some businesses have been affected. And here's one concerning restaurants — and there's been a lot of talk about restaurants. Here's a quote from a customer in a lounge in Moose Jaw, and this is April 2, 1991:

Customers in his lounge supported the tax boycott, voicing displeasure with the provincial version of the GST.

"It's insane," said . . . (one man), turning both his thumbs down to emphasis the point.

"Before the GST, I went out to eat twice a week. Now, it's once a week and with this new tax, it'll be once a month. I just can't afford it anymore."

Mr. Speaker, that paraphrases and encapsulates the concerns that Saskatchewan restaurateurs have about this tax. "It's a matter of survival," as one said. "We can't afford to lose any more customers." Mr. Speaker, and the government members heckle when I talk about this. They don't seem to appreciate that.

But of course with their inflation-proofed cabinet salaries and their inflation-proofed government expense accounts, Mr. Speaker, this is the last of concerns for these people, because the Premier and his cabinet ministers are quite happy to run up expensive bills at Regina restaurants and Regina hotels, in support of their entertainment needs, all paid for by the taxpayers of Saskatchewan. So if the GST or the provincial GST adds to that cost, it doesn't really matter to them because the taxpayers are paying for it anyway. So they don't really understand the concern that Saskatchewan people are having about this, Mr. Speaker.

Mr. Speaker, just recently we had a number of used-car dealers here at the legislature. And the article here in the *Star-Phoenix*, the lead paragraph is: at least half of Saskatchewan's used car dealers will shut their doors permanently next year if the government goes ahead with tax harmonization, a Regina dealer predicted Wednesday.

And without going into details, Mr. Speaker, I would simply point out that the GST on used cars doesn't come into effect until January 1, next year. But the perception of Saskatchewan people is that the tax is already in place. And because of that perception, used-car sales are plummeting in Saskatchewan. And so it's little wonder that car dealers, used-car dealers, are concerned about what's going to happen to them.

Here's another group, the Saskatchewan Business Coalition to STOP the PST. And the reason I'm raising these things is that in case the government members don't believe anything I have to say, I hope they might sort of understand and appreciate what it is that some business people in Saskatchewan have to say, and not the industrialists and the Cargills and so on who stand to be the major beneficiaries of this PST, but those in the service sector and those who every day have to go out and sell products, products which are now going to be taxed, Mr.

Speaker.

But here's a group from Saskatoon, and they call themselves the Saskatchewan Business Coalition to STOP the PST. And this group held a news conference on May 21 and they called on the provincial government to withdraw the legislation which would implement the expanded 7 per cent provincial sales tax.

The chairman of this coalition, Les Dubé, said the following, Mr. Speaker: this huge new tax is very detrimental to the Saskatchewan economy, especially at this time, because it takes hundreds of millions of dollars of disposal income out of the pockets of consumers. Less disposable income for low and middle income families means they will have less to spend at local businesses. Lower sales at local businesses will mean lower profits and lost jobs. The consequences of this huge new tax are widespread and severe. End of quote.

And they're urging the provincial government to reconsider the damage the tax will do to the economy. And they had a survey, and they say that sales in the general retail service sector are down sharply. And a survey conducted of coalition restaurant members represented today shows sales are down in excess of 20 per cent. And as a result people have lost their jobs or have had their hours of work cut back due to these lower sales.

And I speak from experience, Mr. Speaker, that friends that I have in business, in the restaurant business especially, are taking the position that, well, they're going to have to work longer hours, and they're going to have to get by with a little bit less staff than they have in the past. They're going to have to put more into the business themselves, and they're prepared to do that. But the tragedy of it is that again this summer there is going to be one or two fewer students hired in their restaurant, and during the course of the year be one less person hired in that restaurant — a person that probably needs a job, given the state of the provincial economy, Mr. Speaker.

And that's the tragedy of this tax. The tragedy that at a time that the Saskatchewan economy is weak — that it's in trouble — that the government would see fit to do more harm, to inflict more damage, and to impair it even further, Mr. Speaker. And that's the real tragedy. And we've had their officials, the economists, say that it's the bad time to do it, and we've had business groups say that it's the wrong time to do it but yet the government presses ahead. And press ahead they do.

You know, when the heat got too much they released their own study which suggested that the imposition of the GST . . . notwithstanding everything that the economists have had to say, notwithstanding the experience in Canada with the goods and services tax, notwithstanding the comments of business groups in Saskatchewan — and this last group is headed by Les Dubé who's no socialist, I understand. He's no member of the New Democratic Party. I understand that he's a supporter of the Conservative Party. I also understand that he's an astute business person; that he knows what he's doing.

Well, notwithstanding all those comments, the government felt the heat and released the paper some three months after first announcing the GST, and after weeks of hammering in the legislature about where's your study to back-up your contention that this is going to be a good thing? Where's your paper? And the government released a paper on the impact of the provincial GST.

Finally they did it — finally they did it. But it's an awkward and belated public relations exercise, Mr. Speaker, produced only because the government was embarrassed, embarrassed by not having any economic studies or analyses to support its position. It was released three months after their announcement in late February of the tax, and they were questioned severely, both the minister and the Premier in the legislature — you'll remember that — about any study, and finally they cobbled one together, Mr. Speaker, but it's very poor.

There is no acknowledgement, for example, in their study that the federal GST was claimed to be revenue-neutral, and I spoke about that before. But this provincial GST is a tax increase, yet they use some of the modelling studies of the GST federally to say this is going to be the impact here, notwithstanding the fact that the federal GST was intended to do some different things.

Most of the argument for the positive economic effects is based on the view that the business input tax credit will reduce the tax load on businesses and thereby lead to more investment and more jobs in Saskatchewan. But there's no guarantee, Mr. Speaker, as we've seen with the goods and services tax, there's no guarantee that once businesses receive a tax break, or are no longer expected to pay a certain tax, that it's going to result in the lowering of prices.

In fact there is some evidence now produced by the Consumers' Association of Canada, and evidence also that we see coming out of the consumer information office for the goods and services tax, that businesses are not passing along savings by not paying the federal tax; that they're not passing along these savings as was hoped by the government prior to the imposition of the goods and services tax and as the federal government said would happen. It just hasn't been the case, Mr. Speaker.

So there's nothing to suggest that this input tax credit, this \$260 million or so that's going to go to major industrial enterprises here in Saskatchewan is going to do the thing that the government says it's going to do, and that is create over 5,000 new jobs. I don't think there's any person in Saskatchewan who believes that, Mr. Speaker.

This is a government that believes that because of the provincial sales tax that there's going to be an increase in jobs in the restaurant sector in Saskatchewan. I don't know what they're putting in their pipe and smoking these days, Mr. Speaker, but I can tell you, from the comments that I've read, from the experience, from talking to people in the restaurant business, that they're cutting back, that they're not expanding, that they can't afford to expand because people are buying less. And if people are buying less, then they have to cut back. So I don't know where they get this idea, Mr. Speaker.

They do cite Cargill Grain Company, the fertilizer plant, as one of those projects that's going to get a windfall gain of millions of dollars, Mr. Speaker, and I guess we should all be thankful in Saskatchewan that even if Saskatchewan consumers are being gouged, Cargill Grain Company is going to see a windfall of some millions of dollars, Mr. Speaker. We should all be thankful of that because we know the good things that Cargill will do for Saskatchewan people. But that remains to be seen too, Mr. Speaker.

Mr. Speaker, this tax is a disaster tax. I predict that the Saskatchewan economy is going to do worse than forecasted by the provincial government; that this tax is going to drive people on a mad shopping frenzy across the border to North Dakota and Montana and to Alberta. It's going to cause people to leave the province as never before to do their shopping, and it's going to cause a decline in consumer spending within Saskatchewan the likes we haven't experienced for some time. At the same time, there'll be a jump in inflation in Saskatchewan and we'll see more lost jobs. We will see more reduction in the kinds of opportunities that are normally available for Saskatchewan people and we will see more and more, and thousands more, leaving the province, Mr. Speaker, in pursuit of opportunities elsewhere.

(2015)

Oh, Mr. Speaker, I don't think that the government has done its job when it comes to this goods and services tax. I don't think that they fully appreciate the harmful effects that this provincial GST will have on the provincial economy, how fragile that economy is, how delicate it is, and how easy it is to damage and impair it further.

Mr. Speaker, at the outset of my remarks I said that this is the wrong tax, and I give reasons to support that. I've just now talked about this being the wrong time for the tax and even if you support the concept of this tax, you have to realize, as Mr. Dubé and his business coalition group does, that this is the wrong time for the tax. And I think he uses the words, "at this time". He's not saying that he's necessarily opposed to the tax *per se*, just saying it's the wrong time given the state of the economy here.

I want to carry this one step further in saying this is the wrong government, the wrong government to be making major decisions about taxing implications for the people of Saskatchewan.

This government is near the end of its mandate. Now in Canada, governments are elected and they're elected for a legal term of five years. That's the law of the land, Mr. Speaker. That's what's contained, I understand, within our constitution — that when a government is elected, whether it's federal or provincial, their mandate expires after five years, legally.

But traditionally, historically in Saskatchewan, governments don't go the full five years. In fact they seek to renew their mandate usually after four years. And for the most part, Saskatchewan governments have gone back to their constituents after four years and put forward their program and their proposals for the future and have sought to renew their mandate and have asked the

Saskatchewan people for a vote of confidence to continue on with what they're doing or to move forward in pursuit of new objectives as defined by the government, Mr. Speaker. That's been the history and tradition of Saskatchewan.

There have been some exceptions to this, this government being an exception in 1986, that as opposed to going four years it decided to go four and a half years. I believe in 1978 the Blakeney government went three and a half years, as opposed to four years, because they feared conflicting with the federal election at the four-year mark. So there are some exceptions to this, but the rule in the main is that you go to the electorate after four years to renew your mandate.

It's contrary to practice and tradition and history, not only here in Saskatchewan but throughout the country. It's contrary to history and tradition that governments would in their dying months of their mandate seek to implement major new initiatives that have major implications for the people of that province. Governments in their dying days don't put forward extensive new taxes for the population because they take the point of view that anything that has major implications like that for the future, the public should have a right to say something about that, should get involved in that in terms of the election. Governments don't undertake major new initiatives in their last five or six months of a five-year term without consulting the public.

To undertake major new initiatives, to get on with a new program, and to do new things you need a fresh mandate. You need support from the public who say, yes, we all agree with the government or the opposition as to what it is that . . . or the situation that Saskatchewan people find themselves in and where we go from here.

But you don't have the situation, or at least I can't recall ever in Saskatchewan, of a government in its dying days seeking to impose this huge tax hike on its people. We don't see the government, or a government in its dying days proposing to commit 50 to \$100 million to move civil servants around, which has major implications for Saskatchewan, major implications. We have never seen governments do that.

And I would say that this government needs to renew the support of the people of Saskatchewan before it moves forward with this tax. And we say they have no mandate; we don't mean legally, we mean traditionally, historically, and morally, that they don't have the right to move forward. Taxing the public is one of the major things that a government can do, and to do it in such a major way as they're proposing to do with this tax needs to have the involvement of the public.

To move forward and to hope to have the support of the people in any such unpopular thing means you need to have an election, so at least all of the public for a brief period of time can get behind the government and say, okay, we agree with what you do; give her your best shot. But not in its dying days, Mr. Speaker. It is unthinkable; it has never been done before; it's not what Saskatchewan people have come to expect.

But then I guess we shouldn't expect too much from a government, Mr. Speaker, that has want to always put its political spin on things, that has always want to call black white and to call white black, and that notwithstanding the real facts of the situation, tries to give it some unique interpretation in the hopes that the people of Saskatchewan might agree with them. Such is their political spin that this Bill 61 that we're talking about, this Bill 61 which is going to extend the sales tax to be harmonized with the federal goods and services tax, that all the revenue from this is going to go for GRIP and NISA.

Over and over and over again they say to the Saskatchewan public, but we need this, we need this Bill. We need this Bill so we can pay for GRIP and NISA. But there's nothing in this Bill that talks about GRIP and NISA, and if you didn't have the Bill you could still pay for GRIP and NISA. It's just so much political spin, Mr. Speaker.

Saskatchewan people know that, and one of the reasons that they're fed up with these people, they're fed up with a government that tries to deny the facts. They're fed up with a government that's always trying to pull the wool over their eyes. They're fed up with a government that's always, always trying to pull some semantic fast one on them, Mr. Speaker. They're fed up with that. They won't stand it; they won't put up with it any more.

Just a few weeks ago, a week or so ago, Mr. Speaker, when we had the impasse here in the Legislative Assembly — the impasse here in the Legislative Assembly when the government threatened the use of closure so that we could no longer debate this Bill, and the opposition's reading petitions — we had the Minister of Agriculture issue a news release to the effect that if we didn't get back and pass the GRIP and NISA Bills, which were before the Legislative Assembly, that somehow GRIP and NISA wasn't going to proceed. And because the opposition, debating the way that they had that Bill, that somehow GRIP and NISA wasn't going to be a reality, and the farm safety net programs wouldn't come into place for the Saskatchewan people.

Well that's just hog-wash, Mr. Speaker, just plain, pure hog-wash. But it's another case of the government trying to put its own little political spin on a situation — a spin that bears no semblance of reality, Mr. Speaker — but again trying to pull a semantic fast one, trying to put some political tall tale over the people of Saskatchewan.

I tell you, the people of Saskatchewan are sick and tired of that. They won't put up with it any more. It's one of the reasons you people are going down into the polls and you're going to sink down in the polls because you keep trying to pull some fast one on the people of Saskatchewan. They won't put up with it any more. They've had it up to here with your foolishness that way.

You know, and it just goes on and on and on. Even in 1986, prior to the election, well we're going to have a deficit of \$385 million. And in the election, well the deficit has risen to \$500 million. After the election, well the deficit now is \$1.2 billion. Did you know, Mr. Minister, before the election, that it might get this way? No, of course not. Well, nobody believed that. Nobody believed that. Why didn't you just level with the people of

Saskatchewan?

No, Mr. Speaker, the people of Saskatchewan are sick and tired of a government that tries to put this political fast talk on everything that they do and that the people disagree with. They're sick and tired of that. No one believes this government any more. They have no credibility. And I say, when they're not believed, and they have no credibility, and 80 per cent of the people opposed them in this, and it's in their final months of their term, I say, legalities notwithstanding, they have no mandate to do what they're doing with this tax Bill, Mr. Speaker, no mandate at all.

You know, you only have to look at Saskatchewan history and some of the things that the members on the government side have said to get sort of an idea about the things that they've said and where we are today, to understand the wide divergence about the rhetoric . . . the diversion between the rhetoric and the actual situation.

Here is the Premier of Saskatchewan in 1982 saying that deficits are just a deferred tax that must be paid by future generations; doesn't say that these days. Then in 1983 he said, Saskatchewan has so much going for it that you can afford to mismanage it and still break even. Well he mismanaged it all right, but we didn't break even to the great regret of Saskatchewan people.

Here are some quotes from PC Finance ministers, Mr. Speaker, on the deficit. 1982, the first PC deficit ever: this is a minimized manageable deficit; Bob Andrew. Oh? We're now getting close to the 5 billion mark. 1983, Bob Andrew: we anticipate a manageable increase in our combined deficit. Didn't turn out that way.

Bob Andrew, budget speech 1984: we believe that all governments must work in concert to reduce budget deficits; failure to accomplish this will force harsh financial penalties on our children. It is inevitable that mounting deficits will result in unwanted reductions in government services and tax increases. This guy had a crystal ball, very prophetic. The chickens are coming home to roost now, very much coming home to roost.

It's too bad that the government didn't have the courage of their convictions; didn't have the courage to balance the budget in those days even when they had good opportunity to do so.

Well, Mr. Speaker . . . Oh, here's a good one. This government is confident that a balanced budget can be achieved within the next five years — and this is the member for Qu'Appelle who was the Finance minister in 1986. No balanced budget, Mr. Speaker, just so much hot air.

And this Minister of Finance here, last year saying loudly and clearly, taxpayers throughout Saskatchewan are saying that tax increases are not acceptable. And he goes on to say, the goods and services tax is unacceptable, quite simply the people have said they have no more to give; enough is enough. How it is that the Minister of Finance less than a year later can turn around and muster arguments in support of a provincial goods and services tax is beyond me. How can this person have any

credibility with the people of Saskatchewan when one year he can say these things about a goods and services tax being unacceptable — the people have said they have no more to give, enough is enough — and one year later, or less than one year later, expecting them to come up and support the biggest tax hike in history?

This is another reason, Mr. Speaker, that this government has no mandate because the public just doesn't believe anything they have to say any more. It doesn't believe them on this goods and services tax; it doesn't believe them when they say that they're going to create 5,000 new jobs through the imposition of the goods and services tax; doesn't believe anything that they have to say in this regard, Mr. Speaker, and the reason that I would say and most people would say that they have no mandate.

Mr. Speaker, I don't have much more to say, but I will say this: my leader has made it clear, my party has made it clear that, notwithstanding anything that happens in this Legislative Assembly, that should the New Democratic Party form the next provincial government in Saskatchewan, we will repeal this Bill. We will repeal this harsh tax measure because we believe it's the wrong tax. We believe it's the wrong tax at the wrong time. And we believe it's the wrong tax at the wrong time by the wrong government, Mr. Speaker. It's time to put an end to this foolishness.

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

(2030)

**Mr. Van Mulligen:** — But, Mr. Speaker, I would not be so bold as to go out on a limb and say that the New Democratic Party will unequivocally form the next government. There is a chance that the members opposite might be re-elected. And on that off chance I am committed to defeating this legislation in the House. I am committed to seeing that this legislation goes no further. I want this Bill stopped.

And of course we don't have enough votes on our side of the House, but I am hoping, Mr. Speaker — hoping, hoping, hoping — that the government members, the back-benchers on their side might impose on their colleagues on the cabinet, have a few quiet words with them and enlighten them on the harmful effects of this particular tax and what a disaster it is for the Saskatchewan economy should the government go ahead with this Bill.

Even if the front-benchers don't have the wisdom, I suspect that some of the back-benchers do, and that perhaps, just perhaps, they might in a quiet way put a word in here and there and have this Bill withdrawn. And in the very least, Mr. Speaker, hope that the government will support the amendment that I'm going to make now that I've completed my remarks, Mr. Speaker.

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

**Mr. Van Mulligen:** — And, Mr. Speaker, I move, seconded by my colleague, the member for Saskatoon Nutana:

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

Bill 61, An Act to amend The Education and Health Tax Act (No. 2), be not now read a second time, but that it be read a second time this day six months hence.

Thank you, Mr. Speaker.

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

**Ms. Atkinson:** — Thank you, Mr. Speaker. Mr. Speaker, I welcome the opportunity to participate in this debate on Bill 61. My faith in the democratic process was restored somewhat last week when the government decided to allow duly elected members of this legislature to speak on this Bill. The decision, Mr. Speaker, was a great win for the people of Saskatchewan who by the tens of thousands have signed the petition asking the government to stop the PST legislation and to have a provincial election.

Well we haven't stopped the tax yet, Mr. Speaker. We're going to try and fight this tax. We're hoping to stop this tax some time during this session. But I can assure you of this much, Mr. Speaker, the people of Saskatchewan will put an end to this tax grab when we have an election and when the New Democratic Party of Saskatchewan forms the next government.

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

**Ms. Atkinson:** — Mr. Speaker, there will be no harmonized PST under an NDP government, I can assure the people of Saskatchewan that much.

Now, Mr. Speaker, in the election campaign nine years ago a new government was elected on a tax-cutting platform. The new Premier and his colleagues promised to eliminate the tax on gasoline, they promised to eliminate the sales tax, they promised to cut personal income taxes by 10 per cent — I'm sure you remember this, Mr. Speaker — and they promised to reduce the royalties paid by big oil companies.

Well I want to review the Tory record on taxation given their promises in 1982. The fuel tax was abolished in 1982. It was reinstated in 1987 with a rebate for gasoline used in personal automobiles, and in 1990 the rebate was abolished. The fuel tax is now 10 cents per litre and it was 6.6 cents in 1982. That's their record on the fuel tax.

The sales tax, Mr. Speaker, was initially removed on some items such as clothing — the rate was increased from 5 per cent to 7 per cent. And on April 1, 1991, the government that promised to eliminate the sales tax extended the sales tax to cover a much wider range of goods including books, restaurant meals, and clothing. And the government, Mr. Speaker, intends to start charging the tax on services beginning in January of 1992.

Now let's look at personal income taxes — personal income taxes — the party that promised to cut income taxes by 10 per cent; have been increased as a result of the imposition of the flat tax. Saskatchewan now has the

highest income tax levels in Canada for middle income families. Between 1981 and 1989 there's been an increase of 10 per cent on personal income taxes — not a cut of 10 per cent.

The oil royalty rates is the only area in the government tax-cutting platform of 1982 that they have kept and maintained. That's the only promise that they kept since they've been elected in 1982. And in 1981 large oil companies in this province paid the province 64.9 per cent of the value production in royalties, and in 1989 they paid 21.7 per cent.

In 1981 the province received \$532 million in oil royalty revenues, and this year, the Government of Saskatchewan is budgeting to receive \$252 million even though the value of production is higher than it was 10 years ago. That is a Tory record when it comes to income taxes in this province. No cuts in personal income taxes, no cuts to the fuel tax, no cuts to the sales tax, but there sure have been cuts to oil royalties, Mr. Speaker.

Mr. Speaker, let's look at the debt. Saskatchewan taxpayers in 1982 on the Consolidated Fund didn't owe one red cent. We didn't owe anything. We had no debt and in fact, Mr. Speaker, we had a \$139.2 million surplus.

But let's look what happened. Let's look what happened when the Tories came to office. In 1983 they had a .227 billion dollar deficit; in 1984, a .559 billion dollar deficit; in 1980 — or pardon me '84-85 — a .938 billion dollar deficit; in 1986, the cumulative deficit was \$1.5 billion; in 1987, \$2.7 billion combined deficit; in 1988, a \$3.2 billion deficit; in 1989, a \$3.6 billion deficit; 1990, \$3.99 billion deficit; 1991, a \$4.3 billion deficit; and this year, our combined cumulative provincial budgetary deficit will be \$4.618 billion. What a record, Mr. Speaker. And the annual interest payments on that debt will be \$500 million this year. That's what they're projecting.

Well, Mr. Speaker, over a 10-year period the provincial taxpayers in this province have paid out \$2.6 billion in interest payments to the bond dealers and the bankers. That's what the record of this government is. The government's record in this province . . . I use the term taxed to death and buried in debt. That's what the record of this government has been.

Now, Mr. Speaker, some people over there will argue we have to have, we have to have this harmonized provincial goods and services tax in order to pay for the debt. Well, Mr. Speaker, I would say to you and all members listening, and the public listening, that if this government wanted to come to terms with its debt, it would look at its own fiscal waste and mismanagement and that's where we'd start to come to terms with the debt, not by taxing and taxing and taxing and taxing the working men and women of this province. That's not how you deal with a debt. You look at yourself first.

Now, Mr. Speaker, after nine years of financial mismanagement, Saskatchewan simply can't afford four more years of this government. The PC government have failed to provide a fair taxation policy. They failed to control the deficit. They failed to control waste and mismanagement. They failed to improve the economic

base of our small towns. And they failed to provide sufficient job opportunities to our young people and working people. And they have failed, they have failed the farm community of this province.

The PC government have given big favours to their big PC corporate friends, but they certainly have done no favours for the people of this province. Instead, Mr. Speaker, instead what they have given us is nine years of waste and mismanagement, nine years of deficits, and nine years of tax increases.

The new provincial goods and services tax which we are debating today is a result of their waste and mismanagement. Their waste and mismanagement, their incompetence is causing us to debate this Bill today. This government has no right, no right to impose this new tax without letting the people of this province vote first to decide whether or not they want four more years of waste and mismanagement, four more years of incompetence.

This new provincial goods and services tax, Mr. Speaker, is a disaster to the working men and women of this province. It is a disaster to the business people of this province. It means lost jobs and it means more bankruptcies. It certainly will never, ever raise the kind of money that they say it's going to raise because people simply aren't going to be working and people simply aren't going to be paying this tax.

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

**Ms. Atkinson:** — Mr. Speaker, we believe that this tax should be reversed for two reasons: one, the PST is doing grave harm to the provincial economy; and two, Mr. Speaker, the harmonized provincial sales tax is an unfair tax because it hits the lower and middle income earners the hardest.

And I want to talk about the harm to the provincial economy. If you look at the various headlines that have been in our papers and if any of the members opposite would care to speak to the small-business community in this province, they would learn firsthand what has happened to the economy since April 1 of this year.

Mr. Speaker, all I have to do is look at a press release that was issued by the Saskatchewan Business Coalition to STOP the Provincial Sales Tax. This press release was issued on May 21, 1991, some seven weeks after the imposition of this sales tax on goods in this province. And this is what this press release says, and I quote:

Sales in the general retail service sector 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 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 . . .

Well, Mr. Speaker, all you have to do is go down Main Street any place in Saskatchewan, speak to local merchants and they will tell you that their sales are down, they've cut back hours, and they've cut back staff, Mr.

Speaker.

(2045)

And the other day I had the opportunity to be in a meeting of several people who have businesses in the southern part of Saskatchewan. And with those seven merchants, Mr. Speaker, they advised us that they had laid off in excess of 12 people. That's 12 jobs in rural Saskatchewan, if the Minister of Agriculture would like to listen. That's 12 jobs in rural Saskatchewan, and many of their staff have had their hours cut. And we talk about Fair Share Saskatchewan where city jobs are going to be moving out to the country. Well, Mr. Speaker, the jobs in the country are being lost because of this provincial sales tax which the government likes to say will pay for GRIP and NISA. But I will predict this: that this tax will never raise the kind of money that the government has talked about in their documents on this new tax.

The Minister of Finance talks about the impact of harmonization in the province of Saskatchewan. He talks about some 7,000 new jobs. Well those 7,000 new jobs are not going to materialize, and we are seeing job after job being lost all over Saskatchewan because of this tax. So that's one press release that we've seen from the business community.

Another press release comes from the used-car dealers. And the used-car dealers are saying that at least half of Saskatchewan used-car dealers will shut their doors permanently next year if the government goes ahead with tax harmonization. They say and I quote, and this is in the Regina *Leader-Post* on Thursday, May 23, 1991: Our business is already down 50 per cent since January 1 when the federal GST of 7 per cent kicked in, and I know of three dealers who will shut down before January 1 if nothing is done.

Well, Mr. Speaker, once again used-car dealers provide jobs to Saskatchewan people. They provide an important service to those of us who can't afford new cars. And when we have the used-car dealers telling us that they're going down the tubes because of this tax, then I think it's time, it's time, Mr. Speaker, that we got rid of this tax.

Now, Mr. Speaker, I have another tax . . . or another tax revolt story that appears in the Saskatoon — or pardon me, the Regina *Leader-Post* — and it's dated Friday, March 8, 1991. And this particular headline reads "Restaurateurs ready to revolt." And, Mr. Speaker, the restaurateurs in this province are telling us that restaurants are going under. They're laying off staff. Their business is down. And they are fed up with this tax, and they want the government to acquiesce because the provincial economy cannot afford another 7 per cent being pulled out of the pocket-books and purses of Saskatchewan people.

And, Mr. Speaker, I just want to read one particular headline, and it says:

"If I have to be a martyr, I'll do it," said Tom Morris, manager of Champs Steak House and Sports Lounge in Moose Jaw, vowing to be one of those who will not collect a provincial GST on

restaurant meals.

The bottom line is, we don't want to collect it, we don't want to pay it, we don't want anything to do with it.

And Mr. Morris's sentiments can be heard ringing all across the province of Saskatchewan. People don't want to collect the tax, people don't want to pay for the tax, and people want this tax gone.

Now, Mr. Speaker, I have another headline, and this headline comes shortly after the Minister of Finance made his famous announcement in February of 1991. And, Mr. Speaker, what this particular headline talks about: "Tax hikes infuriate embattled consumers," February 21, 1991 *Leader-Post* article.

And this woman says, "I don't think Mr. and Mrs. Average Saskatchewan will be very happy about this," said Joyce Glen, browsing for clothes in the women's fashion section of Eaton's in the Cornwall Centre:

I know that the country and the province are in desperate shape financially, but I really think they should look at cutting their spending before taxing us more. I just feel we are taxed too much as it is.

And then we have another fellow by the name of Craig Hemingway, looking at books about sports in Coles bookstore. He says, and I quote, "The provincial government is forcing Saskatchewan residents to carry the burden of its financial mismanagement." My point exactly. "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."

And that's exactly what's happening, Mr. Deputy Speaker. The people of this province are now being asked to pay for their financial mistakes. These are the people that trotted on to the political scene in 1982 saying, elect us, elect us; we're the business people of this province. We want to run the province; we can do a better job.

And what have they done? What have they done? Nine straight years of deficit budgeting, \$4.6 billion of red ink running down the main streets of Saskatchewan, tax increase after tax increase, incompetence, mismanagement, and waste. That is the record of this government opposite.

Now, Mr. Speaker, if you look at the headlines all across the country, the kind of impact the federal GST has had, all we have to do is go through press clipping after press clipping and we will see that the federal GST has wreaked havoc on the federal national economy, and once this new harmonized provincial sales tax comes into effect on January 1, we will see an economy that will shrink even more than it already has. We will see more lay-offs, we will see more people exiting this province, and this province simply can't afford this tax at this time.

Now, Mr. Speaker, our leader, the member from Riversdale, had the opportunity to speak to a number of business people in Saskatoon a couple of weeks ago. And at that time he released a study that was done by our

research staff in Regina. And I would suggest to anybody who's watching tonight's proceedings, if you're interested in having a copy of this paper, all you have to do is phone our caucus office at 787-1882 — you can call collect — and we will send you out a copy of this document, because this document suggests, and it's confirmed by a couple of economists as well as a head of a very large business group in Saskatchewan, that there will be a serious, negative, economic impact upon the provincial economy.

**An Hon. Member:** — Everything's negative over there.

**Ms. Atkinson:** — Now the member over there from Shaunavon pipes from his chair that everything's negative over here. Well I just want to tell you this much. What the people of this province would really like to see happen in order to have some positive thinking, to move from a negative-thinking mode to a positive-thinking mode, is an election. And if you guys could screw up your courage to call an election, there'd be a lot of positive thought emanating from every corner of Saskatchewan because we would finally be put out of our misery and we would be rid of you people. So call the election.

Now, Mr. Speaker, the economic impact on our province. Let's look at tourism. If you look at what the Alliance of Canadian Travel Associations has said about the impact of the new provincial GST on travel and tourism in our provincial economy, they have said that, and I quote:

... "tourism in this province will suffer greatly as a result of the P.S.T.", and that "the end result will be lost jobs, and ultimately lost revenue for the province of Saskatchewan." (Lost revenue.) The Association has concluded that "the application of the Provincial Sales Tax in the travel industry would be detrimental to that sector of the (provincial) ... economy to the point of being counter-productive."

And it would be interesting if the Minister of Transportation would pay attention to this because it will have a serious impact upon his particular area of expertise.

Now in addition, concerns have been expressed by other people in the business community that this new tax increase, Mr. Speaker, will lead to a furthering of the underground economy. And what will happen is people will not collect the tax from consumers and they won't remit that tax to provincial treasury, and all that does is impose a further competitive disadvantage on legitimate businesses which comply with the law. And for these reasons, Mr. Speaker, three-quarters of the provincial economy that is domestic conduction and consumption will be adversely affected by the new provincial goods and services tax. And that particular sector, Mr. Speaker, will experience job losses.

Now the net effect on jobs — the people over there like to suggest that we're going to see a number of new jobs created. What our paper shows is that the impact of the new provincial GST on some sectors may result in some job growth; job growth as much as one and one-half per

cent commencing in 1992. But we will also see a much larger proportion result in a net loss of jobs, and we could very well see a loss of 8,225 jobs in the next four years.

The overall impact — when you take the job positives that will result with the job negatives — we will see a net loss of some 7,500 jobs, Mr. Speaker. And what that will pull out of the economy is some \$450 million per year by 1995. Now this tax is supposed to collect \$440 million according to the financial wizards over on that side of the House. What we're saying is that there will be 7,500 jobs lost with a net decrease to the provincial economy of some \$450 million per year.

And so, Mr. Speaker, this tax does not make sense. It will not collect the kinds of moneys to pay for GRIP and NISA that these people like to think it's going to do. It simply will not because there'll be 7,500 fewer people working in this province, 7,500 fewer people paying taxes in this province, 7,500 people fewer buying goods and services in this province because of this government's decision to impose this unfair tax. So, Mr. Speaker, what we argue is that this is not the way to go about dealing with our provincial economy.

Now these people will say, well where are you going to get the money? Well I'd like to talk about where we could get the money for some of these projects that the government talks about. They say that GRIP and NISA will cost some \$120 million. All they have to do, Mr. Speaker — and we've done a very rough estimate of how we could save \$100 million right like that — and all they have to do is go through their departments and cut out some of the waste and mismanagement kinds of spending that's gone on in this province in the last nine years and which will go on in this province this year.

I understand that every minister has a public relations budget and every minister is given a very large sum of money to communicate with the public. Well all they would have to do, Mr. Minister, is cut out \$2 million in each department on this kind of government propaganda and they could have a fairly significant amount of money to help pay for GRIP and NISA.

The other thing that they might want to do is to collect on some of the privatization deals that have happened in this province. Now we have had a lot of property sold in this province under privatization. And you know what? You haven't collected very much money. We have had in excess, I believe, of some \$3 billion in public assets sold off and we still don't know to this day how much money you've received from those assets. I know this: that from Prince Albert pulp and paper mill ... this particular asset was valued at \$248 million. You sold it for \$236 million, but you've never collected one red cent from Weyerhaeuser of Tacoma, Washington.

Now you know, if we could even collect the interest on the money, I mean that might be some \$25 million per year. But they can't even do that, Mr. Speaker. These great financial business types from across the way can't even collect on the money that is owed us.

And then we have Saskoil. They sold off this particular asset for some \$300 million. We still don't know what the

sale price was. We still don't know how much money was collected. Some people think 70 million; some, 35 million, but we've never been told. And we have never, ever had an accounting in this province of the public assets that were sold off and how much actual cash in the pocket the taxpayers of Saskatchewan actually got.

(2100)

But we do know this about Saskoil. They had profits in 1983 and 1984 amounting to \$80 million when it was a public corporation, a Crown corporation, but since privatization it has not paid any dividends to the taxpayers although, Mr. Speaker, by 1989 that asset was worth \$1 billion.

And let's look at Sask Mineral. Here's a little company that had a book value of 21 million, and they sold it for 15 million to Kam-Kotia Mines and Premier Cdn from Quebec, and this little company was established in 1946. It returned over \$47.5 million. We think that the operation down at Chaplin may be going under. We don't know. It's been sold we think, but we don't know. And, Mr. Speaker, very little bit of money returned on that particular asset. We know that there have been jobs lost in rural Saskatchewan with the privatization of that particular little Crown corporation, and we know that there has been very little money returned to the taxpayers of Saskatchewan.

And then we have the Potash Corporation of Saskatchewan. Now this is a Crown corporation that was estimated to have a value of \$2.4 billion in 1987. We think the sale price was 630 million. We don't know how much the taxpayers of Saskatchewan got because they have never given us a proper accounting. They have never given us a proper accounting of how much money we got for that particular sell-off.

We know this though. We know the original cost of those mines was \$413 million. We know that between 1976 and 1982 under an NDP government that PCS (Potash Corporation of Saskatchewan) made profits of \$414 million; that they paid \$270 million in taxes and royalties to the people of this province, and the Associate Minister of Agriculture shakes his little head. Read the annual reports, Mr. Minister. Don't shake your head until you know what you're talking about. And I can tell you this, that they paid another \$100 million in dividends but not 1 cent since privatization.

We do know that Chuck Childers, the new president of PCS has a little contract worth \$740,000 per year; close to \$1 million per year, he's paid by the people of this province. We do know that. We do know that there's no other public employee anywhere in this province that makes that kind of money. And I consider Mr. Childers a public employee because the people of this province still have equity in that Crown corporation.

And then we have Saskatchewan Computer Utility Corporation which was sold off. It had a book value of \$3.9 million in 1980. This became the WESTBRIDGE Computer company. We understand that things are not too good over at WESTBRIDGE Computer. We understand that IBM may be buying this little

Saskatchewan company. We do know that the fixed assets in that company were some \$17 million. We do know that they had a tremendous return on equity over the years but not a penny is to be found these days.

And then we have SaskTel and the Saskatchewan Government Printing and of course SaskPower. Now, this was a brilliant privatization. SaskPower has \$984 million in natural gas reserves, some 510 billion cubic feet. SaskPower sells this to Saskoil, but do they get the money? No, they don't get the money; they get shares that are continued to be diluted. We didn't get much money, yet we've just given them \$1 billion in natural gas reserves. We do know that SaskPower sold off the Poplar River coal mine to Manalta Coal for some \$102 million and then we entered into long-term contracts with Manalta Coal for coal to fuel the Poplar River power project. We do know that its drag-line was sold, once again to Manalta, for some 45 million. But it's being used to get coal for the Poplar River power station. We never did know what the estimated value of that particular drag-line was. And on and on and on it goes.

So what we have here, Mr. Speaker, is billions of dollars in public assets that have been built up over the years by the people of this province, sold off, and we do not have a proper accounting of how much money the taxpayers of this province ever received for these particular assets.

Mr. Speaker, I had the opportunity to speak to someone who knows something about economics. He's an economist. And he's had the opportunity to look at our estimates. And he's had an opportunity to look at our public accounts. And he said: I don't understand where all the money went. I don't understand where all the money went. There's no accounting for where all the money went.

And that is the point, Mr. Speaker. That is the point. We've had horrendous tax increases. We've had horrendous deficits in this province. We can't see anything for what this government was supposed to have spent our money on.

And the question people are asking and the question they will ask in the next election is, where has all the money gone? And you people are going to have to answer that question. Where has all the money gone? And the answer will be, they don't know. They don't know. And the Provincial Auditor doesn't know, and this economist doesn't know. And if you show the *Public Accounts* to accountants they don't know; they can't figure it out.

I think, Mr. Speaker, we have about \$4.5 billion in revenues that are raised every year in this province — 4.5 billion. And if a government of the day cannot live on \$4.5 billion, with a population of less than a million, then there is something wrong. There is something wrong in Regina.

And the day will soon come when a government will be elected that will do what the people of this province have always done, and that's learn to live within your means. That's what the people of this province have done. And successive CCF (Co-operative Commonwealth Federation), Liberal, and NDP (New Democratic Party)

governments knew how to make a lot out of nothing. They knew how to make a lot out of nothing. With very little money we built a fantastic province.

We built highways and a telephone system and a power system and hospitals and schools all over Saskatchewan. We did that with very little money. We did it without a deficit budget. The people of the province knew where their money was going, they could see it around Saskatchewan, but not this operation, not this operation. They have paid money out to their Tory friends on big contracts. They have paid money out to people outside of the province. They have literally wasted billions of dollars. And the people of this province will say to you on election day, enough is enough, the time has come, we will not have any more Conservatives in the province of Saskatchewan running our government.

Now, Mr. Speaker, I want to turn for a moment to the credit rating of this province. Once again the people of this province in 1982 elected a government that they thought was going to lower personal income taxes, get rid of the fuel tax, lower the provincial sales tax, eliminate the provincial sales tax, and run the government like they'd run their own home or own business or own farm.

But that's not what we've had in this province in the last nine years. And if you look at the credit rating that has . . . The credit rating agencies have lowered our credit rating in this province several times since 1982. Mr. Speaker, each credit rating agency has its own methodology for rating a province or a jurisdiction's credit rating. And Moody's, for instance, Mr. Speaker, has downgraded us since 1985 from a AA1 to an A2. Standard and Poor's has downgraded us from a AA to an A. And the Dominion Bond Rating Service has also lowered us, and the Canadian Bond Rating Service has lowered us from a AA to a AA minus.

Now the point is that your credit rating affects your ability to borrow money. And when you have red ink flowing out of Regina, out of the government offices of the cabinet ministers and the Premier, and flowing down the streets of Main Street on to the farms — because that's what we have; we have red ink from one end of this province to the other because of PC mismanagement and fiscal irresponsibility — what that does, Mr. Speaker, is when we go to renew some of our long-term debt, we're going to have to pay a higher interest rate.

Now this province in 1982, I believe, had a AAA rating — a AAA. We were one of the finest . . . we had one of the finest credit ratings in all of North America. And I understand, Mr. Speaker, that our credit rating is soon going to be lowered again. And it's going to be lowered again because of this government's irresponsible behaviour. That's what's going to happen. And it's time, Mr. Speaker, that we elected some people that know how to run a government. And it seems to me that we've had nine years to see how these people would run a government. And, Mr. Speaker, we're not happy. We're not happy with the way these people have run the fiscal affairs of the Government of Saskatchewan on behalf of the taxpayers.

Now, Mr. Speaker, I just want to reiterate some of the

problems that we have seen. We've seen nine years of fiscal mismanagement. We've seen a failed taxation policy. We've seen a deficit that's out of control. We've seen out-of-control waste and mismanagement. We've seen no improvement in small town Saskatchewan. We've seen no improvement on the farms, and we've seen no improvement when it comes to providing job opportunities for our people.

We've seen a government that seems to enter into these schemes with some of these out-of-province types that come here. And they've tried to curry favour with some of these groups. And I would say that these groups have seen some of these people coming and we've been taken advantage of. Well I say, Mr. Speaker, instead of ramming through this provincial sales tax, the government should eliminate its waste and mismanagement. It should eliminate its wasteful spending and examine other revenue sources.

Now what would we do? The first thing we would do, Mr. Speaker, is we would open the books. We want to find out the true extent of the problem. And that's why, Mr. Speaker, we have said that if we are elected after the next election, we will open the books and we will conduct a full review of the financial situation in this province. We have to know exactly how bad things are and settle on new priorities for the 1990s.

Second, Mr. Speaker, we need to put a priority into stimulating the provincial economy and creating jobs. We believe, Mr. Speaker, that there are all kinds of visionaries in this province that have all kinds of ideas for new jobs, and those ideas for new jobs must be pursued, Mr. Speaker. The days of megaprojects like Rafferty-Alameda are over.

The 1990s, Mr. Speaker, will look to Main Street and small businesses to create wealth, Mr. Speaker. We will target local entrepreneurs to maximize profits, and their export opportunities will be great under a new government. And their export opportunities and their creativity and vitality will create jobs for the people of this province. The key, Mr. Speaker, will be new jobs and economic growth, and that will mean increased revenue for everyone, without tax increases.

The third thing we will do, Mr. Speaker, is we will end, we will put an end to government waste and mismanagement. We have to get careless government spending under control. The provincial government this year will spend some \$4.8 billion in a province of 1 million people. We have to ask ourselves: without going into debt, isn't \$4.5 billion enough to get the job done in 1991? And we say \$4.5 billion is quite enough, thank you very much. It's time to get your fiscal house in order.

We believe, Mr. Speaker, that we, upon opening the books, we will find many many areas of government wasteful spending that we can redirect to other areas of our province. We've identified over \$100 million in wasteful spending and that kind of waste and mismanagement will be cut.

For example, if we cut 80 per cent in government advertising we'd save \$17.6 million a year. If we cut 66

per cent in printing . . . the stuff that comes out of some of these offices is unbelievable. One year, Mr. Speaker, I kept track and I had three bins full of government propaganda. It was not the kind of stuff that you would find any information on; it was just material. Lots of trees had been cut down; lots of materials that were simply propaganda. And, Mr. Speaker, even if we had a 25 per cent cut in leased office space we could save some \$17.7 million.

(2115)

Now the government claims that this massive new tax increase is required to pay the provincial share of the GRIP and NISA programs. That's simply not true. We believe the government of Saskatchewan has a choice. It can choose to raise more taxes or it can choose to cut its own wasteful spending. We're committed to finance GRIP and NISA. There's no question about that. But we will get the money by cutting waste and mismanagement, not through higher taxes.

Now, Mr. Speaker, the other thing that we will do is, we are going to review, we are going to review every privatization deal that has taken place in this province. We are going to go through those deals with a fine-tooth comb and we're going to ask ourselves if they were done prudently and economically. If not then we will need to negotiate with a view to maximizing the revenues for the people of this province. For sure, Mr. Speaker, we need to ask a lot of questions about the Weyerhaeuser deal. They still haven't made a payment to the province on the \$236 million no-interest loan it received five years ago.

The other thing that we're going to do is we're going to try and put a stop to federal off-loading. In recent years . . . and these people can laugh, they can laugh. Their kissing cousins down in Ottawa are sticking it to the taxpayers of this province and what are they doing? They sit here in their chairs and they laugh.

Instead of standing up for Saskatchewan people you guys put your heads down and say yes Brian, yes Brian, anything you say, Mr. Mulroney. Well there's no sense in doing that. Just kowtowing to your cousin in Ottawa, Mr. Speaker, is not going to do one thing for the people of this province. The people of this province want a government that will stand up to Brian Mulroney and say, enough is enough. The West has paid its share. It's time to cough up.

And as a result, Mr. Speaker, we have seen federal transfer payments to our province down by more than \$423 million a year in each of the last three years. Now the boys over there say, and will Brian ever bow to that. Well he certainly won't bow down to people who keep their lips shut, and that's what we've seen out of you guys ever since I was elected in 1986. I have never seen you stand up to Ottawa. You didn't stand up to Ottawa on the GST; you didn't stand up to Ottawa on the Free Trade Agreement; you did not stand up to Ottawa on cuts to transfer payments; you did not stand up to Ottawa on cuts to the EPF (established programs financing). You've done nothing. You have sat here and done nothing. In my view, Mr. Speaker, they have been useless in the West's fight with Ottawa, absolutely useless.

Now, Mr. Speaker, these measures of opening the books, reordering government spending priorities, job creation, cutting waste and mismanagement, finding new revenues from PC privatizations, and fighting federal off-loading — which these people have never done — these are the ways that we can better manage some of Saskatchewan's resources. That's what we say, Mr. Speaker. The Devine government's imprudence, its lack of a long-term economic plan, have given Saskatchewan several years of budget deficits.

Mr. Speaker, the solution is not more of the same. We cannot have more of the same. We need to do things differently in this province if this province is to survive the 1990s. Their economic direction has not been good for this province. We have seen 75,000 citizens leave Saskatchewan. We have seen thousands of farmers go down the tubes. We have seen thousands of business people go down the tubes. We have seen businesses dry up on Main Street all over Saskatchewan. This situation can no longer be.

Well, Mr. Speaker, I think this government should put its plans on hold for the new provincial sales tax, put it on hold until after the next election. Let the people of Saskatchewan decide whether or not they want this tax. I would submit to you, Mr. Speaker, they do not. They do not want this tax. They want this tax axed. This tax is harmful to the economy. It will not raise the money that they've talked about; it will not raise \$440 million, as they've talked. It will in fact lose \$450 million. It will lose 7,500 jobs. It will bankrupt many businesses. Businesses will go down the tubes, Mr. Speaker.

This is the wrong tax at the wrong time put in by a misguided and wrong government. And, Mr. Speaker, it's time the Tories over there started listening to the tens of thousands of people that are saying: axe the tax; enough is enough; call an election.

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

**Hon. Mr. Schmidt:** — Well thank you, Mr. Speaker. I've already spoken on the Bill. I'll be brief this evening. I want to say this, Mr. Speaker: it's very unusual that the NDP would bring into this Assembly this evening an amendment that would delay the passage of this Bill for six months. It is quite clear that the NDP intend to be government six months from now, and there is something clearer in their indication that while they say they oppose the Bill, they want to put off the Bill for six months.

And I submit, Mr. Speaker, that the NDP really do not intend to ever do anything else than impose this tax but only in a harsher way upon the people of Saskatchewan. The NDP, I believe, are again, as they have done for many, many years, Mr. Speaker, saying one thing when they really intend to do something else.

My father tells a story, Mr. Speaker, of when he was a young man he remembers voting for Tommy Douglas and he was somewhat disillusioned because Mr. Douglas campaigned against the health or education tax at the time. My father's recollection of the story is that Mr. Douglas said it was an evil tax, and he would abolish it. And then my father recalls that after Mr. Douglas was

elected he actually raised it.

Well I recall, Mr. Speaker, that in 1979 the federal government in Canada fell because they wished to impose an 18 cent per gallon tax on gasoline. And Pierre Trudeau denounced it, denounced it totally, and right thereafter won an election denouncing the tax, and then virtually doubled it, Mr. Speaker. And I believe what you have here before you in this amendment is the NDP clearly showing us what they intend to do in this province should they ever attain power.

We have come up front and said the bills have to be paid. This is a fairer tax than taxing income tax even more. This is a fairer tax than taxing production and the earning of income to a greater extent. This is a tax that encourages production and growth in the economy, that creates jobs, creates prosperity. Then you have the sufficient prosperity to pay for the social programs we have become accustomed to.

But what is happening in other countries? I remember when the NDP used to go to Socialist International conventions every year, and you used to read about it in the paper. Now I've been trying to locate the nearest convention so that I can see what the current policy of Socialist International is. Mr. Speaker, I can't seem to ascertain where Socialist International is meeting this year. I don't know if it's in Havana, Cuba or if it's in Albania. I don't know if the Soviet Union even wants the convention in the Eastern bloc.

But the members opposite here still haven't renounced socialism. When the world has renounced socialism the members opposite have not renounced socialism. They still refer to themselves as democratic socialists. Well what did the democratic socialists do in 50 years in Sweden? You don't hear the members opposite talk about Sweden any more and the wonders of the Swedish economy. It just so happens that yes, Sweden does have social programs, but Sweden also has the highest taxes in the entire world, Mr. Speaker. Sweden, the jewel of the socialists.

Sweden, that country has the highest taxes in the world. I met with the ambassador from Sweden recently and he tells me that they want to, believe it or not, join the European Common Market. They feel they have to be part of a larger market. I saw a report on Sweden yesterday on television. It indicated that they were interviewing people walking down the street in Sweden, and they said, our taxes are too high, we can't compete with the other countries in Europe. They said, we have to have the same kind of system as the rest of the world has. The people in Sweden indicated they could no longer afford the welfare state.

What about Holland? It seems that in Holland — where they've gone to socialistic policies with a welfare state as the NDP have brought to us in this province, as they project in Ontario where they increased spending on welfare by 40 per cent in their most recent budget — that kind of a situation in Holland has got to the state where they predict that if they continue that system for another 10 years they will only have one worker for every person receiving benefits from the state. That means that every

worker in Holland will give half of their entire production to someone who has chosen not to work.

There's a difference between helping those people who cannot help themselves; there's a difference between providing education to children, and outright giving money to people who have, as the members opposite have said in the past, have a right not to work, a right to collect benefits from the state.

Well who is the state? The government, Mr. Speaker, is all of the people. The government does not exist here in Regina with a vault of gold in the basement of this particular building that they can hand out to people at will. The government has to take money out of people's pockets and then put it in other people's pockets.

And there's allegations of waste. Well there is very little waste. I can tell you that any money wasted in this province was wasted on the people, Mr. Speaker; it was not wasted on the government. So while we try to run more efficiently, there is a great debate over what money that has been spent on the people was actually wasted.

Well, the members opposite don't want to talk about Sweden any more. They don't want to talk about social democracy any more. They don't even want to . . . and I challenge them; they heckle from their seats. I challenge them to tell me where's the next convention of Socialist International so that I follow and see how they are going to save the world.

Well what I say, Mr. Speaker, to the people of Saskatchewan is this: if you don't like taxes, then you're in the majority. I don't like paying taxes either. But I say to the people of Saskatchewan, welcome to the welfare state, welcome to what Tommy Douglas said he would give us. He said, I will take you to the new Jerusalem.

Well, this is it, Mr. Speaker. This province is as socialized, it has got as many social programs, as anywhere in Canada, and it has more than it can afford. And we have a difficult choice now. We have to either reduce that expenditure or we have to increase taxes. This government has had a hold-the-line budget. It has tried to reduce the expenditure and it has had the task of raising taxes to pay for the welfare state that has been created over the last 45 years in this country.

And people will have to realize that you cannot receive something for nothing. And you cannot tax the rich in Saskatchewan. I've challenged people in my constituency to point out the rich in my constituency and we'll tax them. And they can't be found, Mr. Speaker. Why? Because they haven't had an opportunity to function in a free-market economy where they could develop some wealth that you could at least tax.

Instead, those people who had the ability to create jobs, to create wealth, they fled this province. They fled to Alberta, they fled to British Columbia, they once fled to Ontario, but they're fleeing back now. But that is exactly what has happened to this province. If you say you're going to tax the rich, I can tell you this: they are hard to find in this province because in the past they have been chased away from this province. They have been chased

away with gift taxes and succession duties. What happens? What do you see happening? There was a union convention in this city last week and the members opposite came here and introduced their friends in the gallery and then their friends saw fit to disrupt this Assembly so that we could not be heard in this Assembly.

(2130)

But not only that, they brought a professor from Ottawa with them, a tax professor. And then they snuck him onto television, onto *The Provincial*, under the osmosis of being an academic, a learned man, when he was nothing but a member of the NDP and the union convention that was in Regina. And do you know what he said on television? He said, we have to tax the rich; we have to bring in succession duties and gift tax. We can't allow the rich to give away their wealth.

Well that's all he's going to do, is what I told the NDP they were doing when I quit that party. They were chasing anybody with any initiative out of this province. They don't understand that changing the tax structure in this province will give us the same tax structure that is present in Europe today. And why did they have to put that tax structure in in Europe? To pay for the social programs. And is it 7 per cent? No, it is from 15 to 22 per cent; 22 per cent in Sweden.

Now we don't mind paying taxes as long as we get value for our money. And I predict that we will continue to pay taxes and I will predict that if we don't decrease our reliance on government, then our taxes will continue to go up.

What is a government to do in this province? The teachers wanted a raise; the teachers got a raise. The nurses wanted a raise; the nurses got a raise. The doctors got a raise; they're back for another raise. Government workers wanted a raise; they got a raise of 4 per cent. It's not enough. Farmers don't have money; farmers need money. Senior citizens receive pensions; senior citizens receive heritage grants.

Who's left to pay taxes, Mr. Speaker? The rich aren't dumb enough to stay and pay taxes, so who's going to pay taxes? Well the citizens of Saskatchewan are going to pay taxes because that's all that's left to pay taxes. And unless we have a system that encourages people to stay here and create jobs, there are going to be fewer and fewer citizens here to pay the taxes and carry the weight.

I mean there was a day when we all said, we have to stop these deficit budgets — our children are going to pay. Well we were wrong. We calculated ... we miscalculated by about one generation. We have to pay. The day for my children to pay is not going to come. We are going to have to pay or we are not going to have any services. And I can tell you this: that our children aren't going to be dumb enough to stay here to pay for the debts that we run up.

And that means that we have cushioned the people of Saskatchewan as much as possible from grain wars. We have cushioned them with the deficit. We have followed the traditional Keynesian economics of borrowing money

in difficult times and running a deficit and stimulating the economy, but you can only do that so long and after a while you have to say you can't stimulate it any more; you have to build it.

And that's what the members opposite don't understand. They don't understand how you build an economy. It's all they understand is drag somebody down. Drag somebody down to my level. Drag him down, look him in the eye and say, you worked hard, you studied hard in school, you worked late hours and you invested your capital, and you're a bad person because you have money. I'm going to drag you right down.

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

**Hon. Mr. Schmidt:** — That's what they promise the people of Saskatchewan, rather than encouraging people and saying, good work, keep on building, hire 20 more people. We'll take our share of taxes out of consumption because they'll be more people to consume here. No, they want to drag people down.

I went to their conventions, Mr. Speaker. It is a horrible sight to go to an NDP convention. As a matter of fact I could only take four of them, Mr. Speaker, four conventions. Can you imagine the premier of Saskatchewan ... he's no longer elected; I can give his name — Allan Blakeney. You know, you know how many times I saw him wear blue jeans and eat boloney sandwiches, Mr. Speaker? Once a year at the NDP convention just so that he could fit in. My wife and I sat there in awe. The first time I went to a Conservative convention the attitudinal adjustment was just phenomenal. I mean talk about the hypocrisy of the premier once a year wearing blue jeans and eating boloney sandwiches. Did you ever, I say to the people of Saskatchewan, outside of being at that convention, did you ever see that man in blue jeans, eating a boloney sandwich?

Well what I am saying is that is the way the NDP think, Mr. Speaker. They don't want to build; they don't want to allow people to create wealth; they want to drag everyone down. And they are very selective in their calculations. They ignore \$250 million, a reduction in the costs of doing business in Saskatchewan. They ignore that that ... (inaudible interjection) ... and I'm told I'm in error. I correct myself — \$260 million ... (inaudible interjection) ... And the member from Regina North West says I stink of horse manure. That is typical of the NDP's attitude and respect for people. I don't even challenge them to withdraw that. I want the people to know exactly, not only what the NDP think but what they talk like. That's what the people need to know. The people need to know what the choices are.

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

**Hon. Mr. Schmidt:** — I stand here, Mr. Speaker, and I tell you that they ignore \$260 million of benefits in the reduction of costs, input costs, in doing business, in farming in this province — small business, large business. Those costs do two things. They make us ... That reduction makes us more competitive. That means we can earn more income coming into this province. And it

also is a reduction in the cost of doing business which can be passed on to the consumers.

They also ignore \$35 million in benefits to low income families. People with children, who are not rich, Mr. Speaker — and I stress not rich — will get their tax back. The NDP don't notice that.

And then, above all, they come into this Assembly . . . I've told you the kind of name-calling they do in this Assembly. They come into this Assembly . . . I can't say in this Assembly, Mr. Speaker, that they're lying. I can't say that but I can think what I want to think, Mr. Speaker, and I can tell the people what the facts are.

**The Speaker:** — Order, order. Order, order. What you can't do is imply indirectly what is not permitted directly, and I ask to bring that to your attention, sir.

**Hon. Mr. Schmidt:** — Well, Mr. Speaker, I leave those decisions for the people to make their own mind up on those points, but let me say this. I've heard this evening the members opposite, I've heard them here say Weyerhaeuser Canada purchased the P.A. pulp mill, and I've heard them say they haven't paid anything towards the P.A. pulp mill. Is \$65 million not anything? They have paid \$65 million to the province of Saskatchewan since they bought that pulp mill. They still owe us money when they make more profits.

Listen to this, Mr. Speaker. When they make more profits they owe us more money and they will pay us more money. But the members opposite would want to drag them down, drive them out of the province, and then what will they pay us the money with? Certainly not on losses. Sixty-five million has been paid and instead of \$65 million being paid to the province of Saskatchewan, we don't have a loss of \$91,000 a day any more. The hemorrhaging has stopped. Sixty-five million dollars has been paid and that same corporation has invested in Saskatchewan in excess of \$400 million in new jobs in Prince Albert. The members opposite don't want the new jobs in Prince Albert. They'd rather have them where — in British Columbia? Or would they rather have them in Alberta or would they rather have Weyerhaeuser building a pulp mill in Brazil? Where would they rather have those jobs — in Saskatchewan or in other parts of the world?

Well the members opposite with their proposal to raise income tax, with their proposal to run corporations and employers out of this province, with their example in Ontario of putting on a payroll tax, having an 8 per cent tax instead of a 7 per cent tax, their example in Ontario of making such a business climate that businesses as large as The Bay are looking at leaving Ontario — that kind of a future government in Saskatchewan would be a disaster, Mr. Speaker.

And the bottom line here today is this: that if the NDP are serious that if elected they would revoke this tax, then why do they want to put off this tax for six months? That's what people have to ask themselves. Why do they want to put this tax off for six months if they do not have a hidden agenda that is typical of what the NDP have done across Canada — promised one thing and done another.

That's what's happened. They have one hand behind their back, and they're going to come out and they're going to grab the future of this country and the future of this province. That's their agenda, and that's why I'm opposed to the amendment because I think they are showing their true colours, that they intend to put this tax on in six months — but not 7 per cent like in Saskatchewan, but 8 per cent like in Ontario. And that's why we'll vote against amendment, Mr. Speaker.

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

**Mr. Prebble:** — Mr. Speaker, it is my pleasure to enter this debate on Bill 61 tonight, a debate on the merits of the biggest single tax increase in the history of the province. And, Mr. Speaker, I want to begin by saying that on behalf of my constituents in Saskatoon University that the vast majority of people who live in my riding are strongly opposed to the expanded provincial PST, or as I often refer to it — because that's in effect what it is going to become, effective January 1 of next year — the provincial GST.

And, Mr. Speaker, on behalf of residents in my riding I have now presented over 2,000 signatures from people who live in my constituency to the Legislative Assembly, expressing their opposition to this massive tax increase. And, Mr. Speaker, in total, members on this side of the House in the New Democratic Party have presented over 100,000 signatures to this legislature showing that the people of Saskatchewan right across this province oppose this tax, Mr. Speaker.

And, Mr. Speaker, the government has to date ignored that massive expression of public opposition to this tax increase, Mr. Speaker. And I say they do that at their peril. But more importantly, Mr. Speaker, they do that at the peril of the future of Saskatchewan because this tax increase is jeopardizing economic productivity in this province. This tax increase, Mr. Speaker, is driving this province even more deeply into recession than it has been to date.

And, Mr. Speaker, I want to say that the magnitude of this tax increase is really quite overwhelming — \$440 million out of the pockets of Saskatchewan taxpayers, Saskatchewan consumers, each year. And all of that, Mr. Speaker, from a government who has lost its mandate to govern, lost its moral right to govern in this province.

It's true, Mr. Speaker, that its five-year legal mandate has not expired, but it is more than four and a half years into its term. We have a tradition in this province of having elections at least every four years. This government not only has chosen to ignore that tradition, Mr. Speaker, but it's chosen in its dying days of office to bring forward and implement a tax increase that it has no mandate to do.

Now, Mr. Speaker, I want to comment for a moment on the unfairness of this tax. And I also want to comment for a moment on the remarks made by the member for Melville which I want to take issue with.

But first I want to say, sir, that I believe one of the fundamental shortcomings of this tax proposal is that it is basically unfair because it taxes the necessities of life.

This in effect, Mr. Speaker . . . what we have seen with the first round of this tax increase, what is . . . we're looking here at a two-stage tax increase. One stage came into effect on April 1 of this year. The second stage comes into effect January 1 next year.

Well what we saw with the April 1 stage, sir, is a tax on the basic necessities of life, namely food, clothing, and shelter, and a tax on knowledge and information. That's what we saw with this first stage of the tax increase.

(2145)

And, Mr. Speaker, I say that it is unfair to tax restaurant meals. Why should someone pay a 7 per cent tax if they go and purchase a lunch at 4 to \$6? Why should they pay a tax on that? That's a tax on food. Mr. Speaker, why should people be paying a tax on an essential item like home-heating fuel, their electricity, and their natural gas? That's fundamentally unfair. Why, Mr. Speaker, should people be paying a tax on clothing purchases of less than \$300, including clothing purchases on behalf of children?

Mr. Speaker, until this tax increase came in, governments in Saskatchewan went to great lengths to ensure that there would not be a tax on such necessities. This government, Mr. Speaker, has chosen to depart from that tradition and tax these very basic items that people need for their day to day survival in our province and in our society. And that is the wrong thing to be doing, Mr. Speaker.

Also I say, Mr. Speaker, that this tax is unfair because it takes no account of people's ability to pay. The senior citizen with a fixed income of 7 or \$8,000 a year, who goes and purchases a cup of coffee, or buys postage stamps, or buys a new hat, pays exactly the same amount of tax on those purchases as a millionaire living in the same city buying the same essential items, Mr. Speaker.

And that is again fundamentally wrong. It's a prime example of regressive taxation that members on this side of the House believe is fundamentally unwise. And, Mr. Speaker, it's a tax that is unfair because while resource corporations in this province are paying only 12 cents on the dollar in royalties for sales on resources that they are selling out of province — only a 12 per cent royalty — people, when they walk into The Bay or into Sears, are going to be paying 14 per cent in consumer tax alone, in sales tax alone, between the federal and provincial GST, Mr. Speaker. That is just a prime example of an unfair tax policy.

But, Mr. Speaker, the member from Melville was saying that his government has cushioned Saskatchewan taxpayers up until now. He was suggesting, Mr. Speaker, that somehow Saskatchewan taxpayers have had an easy ride from this government until the provincial GST was implemented. And I want to say, Mr. Speaker, how wrong those remarks were, how inaccurate they were. Because, Mr. Speaker, this is a government that has robbed Saskatchewan taxpayers.

This is a government, Mr. Speaker, that between 1981 and 1989 increased provincial taxes by some 71 per cent during a period when inflation was 48 per cent, Mr.

Speaker — a 71 per cent increase in provincial taxes between 1981 and 1989 during a period when inflation was only 48 per cent, sir. And the member from Melville suggests that somehow Saskatchewan taxpayers were being cushioned.

Mr. Speaker, the member from Melville left the impression that corporations like Weyerhaeuser in this province, who've benefitted from the PC's privatization plan, have been paying their fair share. He suggested, Mr. Speaker, that they have been paying off the cost of the public assets that they have acquired, and that they have been paying off moneys that they owe to the people of Saskatchewan. And, Mr. Speaker, I want to say again that I fundamentally disagree with the member from Melville, that he has not portrayed reality accurately, sir. Because, Mr. Speaker, Weyerhaeuser corporation has not paid a single penny on the \$236 million capital asset that they acquired. They have not paid 1 cent on that asset, sir, not 1 cent.

And the member from Melville who's in the cabinet, who's in the PC cabinet, knows that full well.

So, Mr. Speaker, the member's representations in this Assembly have been false and he is fully aware of it. And finally, Mr. Speaker, I want to say that the member for Melville was inaccurate when he suggested that an NDP government would not repeal the provincial GST or the PST.

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

**Mr. Prebble:** — Mr. Speaker, he again misrepresented the intentions of the opposition in moving this motion for a six-month hoist in the legislation. Mr. Speaker, the member from Melville and the member for Shellbrook who's talking now and saying . . . The member for Shellbrook is saying, so you're going to put it in. And the member for Shellbrook knows that that is simply not the case.

Mr. Speaker, our party is on record, and our leader is on record, as saying clearly that if a New Democratic Party government is elected in the province of Saskatchewan after the next provincial election, one of our first legislative acts will be to repeal the provincial GST. And every member on this side of the House stands by that commitment, Mr. Speaker; every member on this side of the House stands by that commitment.

Now, Mr. Speaker, I want to spend a moment looking more precisely at what Bill No. 61 does and what its implications are for the people of Saskatchewan. Because first of all, sir, Bill 51 results in tax increases on a number of important items that I would like to make note of.

First, as I've indicated, there is a tax now on children's clothing. There is also a tax on shoes and there is a tax on all adult clothing and shoes costing less than \$300. None of those items were taxed before. There is not only a new provincial PST on restaurant meals, there's also a provincial PST now on snack foods and a PST on soft drinks. And those are items that adults and children are paying tax now on daily in Saskatchewan. There is a tax on essential items, Mr. Speaker, now like toothpaste and

diapers and cough syrup. And books, magazines, and newspaper subscriptions are all being taxed now as a result of Bill 61.

And finally, Mr. Speaker, in terms of goods that are being taxed, as I indicated, there is a tax on natural gas and electricity, and also a tax on new housing construction, Mr. Speaker.

In the second phase of this tax, the point that I'd particularly like to make to the public watching tonight and reading the proceedings later, Mr. Speaker, is that the real big tax increase from the PC government is yet to come, because on January 1, if the government is re-elected, they have already announced, Mr. Speaker, that there will be a tax on all services that are currently taxed under the federal GST.

In effect, Mr. Speaker, we will have a federal GST and a provincial GST. And this means, Mr. Speaker, that we're going to be seeing a tax on items like postage stamps, hair cuts. We'll see a tax on car repairs. We'll see a tax on used cars.

Mr. Speaker, I remind the members of the Assembly, particularly the PC members opposite, their promise, Mr. Speaker, that they would not tax used cars. Well they're bringing their used-car sales tax back effective January 1, 1992 if they are re-elected, sir. That's what they're doing. They're once again breaking a promise that they made to members of this Assembly and to the public, that this tax on used cars would not return.

Mr. Speaker, with their tax on services they're going to be taxing legal services. They're going to be taxing home repairs. They're going to be taxing funeral services. They're going to be taxing appliance repairs and boat rentals. They're even going to levy a tax on gravel, Mr. Speaker. There is no limit, Mr. Speaker, to this tax grab that is coming, effective January 1, 1992, if the government is re-elected.

Now, Mr. Speaker, I want to put this tax increase in context, to look at the tax record of the Government of Saskatchewan for a moment since it was elected in 1982.

First, Mr. Speaker, this is the government that said in 1982 that it was going to eliminate the sales tax. It was going to eliminate the E&H (education and health) tax. I remember, Mr. Speaker, that the PC candidate in my riding who was elected in 1982 and who legitimately defeated me in the . . . and took his place in this Assembly, Mr. Rick Folk — a decent man I might say, Mr. Speaker, and one of the few on that side who hasn't taken a patronage appointment. But he campaigned, as did every other PC member in this province, on the elimination of the E&H tax.

And what do we have now, Mr. Speaker? Not only do we have a government that chose to increase the E&H tax from 5 per cent to 7 per cent, but we now have a government, Mr. Speaker, that has broadened the range of the E&H tax in an unprecedented way to in effect tax all necessities, Mr. Speaker, in the province of Saskatchewan. And they've done it without a mandate.

Mr. Speaker, this is a government that promised the people of Saskatchewan last year in its budget that it was opposed to the federal GST. It said it was a bad idea. In fact, Mr. Speaker, to quote from the last year's budget address by the Minister of Finance, the Minister of Finance said last year, and I quote:

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

That's what he said, Mr. Speaker, with respect to the federal GST. He said, and I go on to quote: Quite simply, the people have said they have no more to give. The goods and services tax is unacceptable — enough is enough.

That is what the Minister of Finance said last year, Mr. Speaker. The Minister of Finance has broken his word to the people of Saskatchewan. Not only, Mr. Speaker, has he given up opposing the federal GST, but now, Mr. Speaker, he brings to the people of Saskatchewan a brand-new provincial GST, a brand-new provincial GST, Mr. Speaker. We say that the Minister of Finance was right last year. He should have stood by his word. Enough is enough — drop this tax. That's what we say on this side of the House, Mr. Speaker.

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

**Mr. Prebble:** — Now, Mr. Speaker, I have a great many more things that I wish to say with respect to this Bill, but I see it's almost 10 o'clock. And it being near 10 o'clock, I move that the debate on Bill 61 be adjourned.

Debate adjourned.

The Assembly adjourned at 10 p.m.