

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Mr. Trew:** — Thank you very much, Mr. Speaker. It's my pleasure today, on behalf of my colleague the MLA (Member of the Legislative Assembly) for Regina Rosemont who's unable to be here today, to introduce a group of 12 students to you. They're seated in the east gallery, Mr. Speaker.

These 12 students and their teacher, Ruth Quiring, are from the English as a Second Language Centre, at the SIAST (Saskatchewan Institute of Applied Science and Technology) campus here in Regina. I'm looking forward to meeting with them at 2:30 following question period, and I ask all members to join me in giving these people a warm welcome to the legislature.

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

**Hon. Mr. Meiklejohn:** — Thank you, Mr. Speaker. It's indeed a pleasure for me this afternoon to introduce to you and to other members of the legislature 57 grade 8 students in your gallery from Silverwood School in Saskatoon. They're accompanied today with their teachers, Ron Carlson and Orv Neufeldt, along with bus driver, Shelton Lambrosie.

And I'm hopeful the students are going to have some questions a little bit later as to the observations that they have here in the Assembly. And I would ask all the members here to wish the students from Silverwood a very warm welcome here today.

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

## ORAL QUESTIONS

### Effects of Decentralization

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. My question is to the acting minister in charge of Fair Share Saskatchewan in the absence of the minister, Mr. Speaker. Mr. Minister, today the government announced the decentralization of another government department. Now it's the third announcement. You've done this without warning or consultation, and without warning and consultation you've told employees and their families that you will disrupt their lives and their homes, and you showed no regard for people whatsoever. You have not provided any evidence that spending up to \$60 million is a smart thing to do, when your waste and mismanagement has already accumulated a deficit of \$5.2 billion.

Mr. Speaker, nine years of waste and mismanagement is no excuse for doing even more. Why then are you making these announcements when you have not even prepared a cost/benefit analysis to determine whether it makes any financial sense? Enough is enough. Put a stop to this political playing with people's lives.

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

**Hon. Mr. Hepworth:** — Mr. Speaker, the process of decentralization that our administration has been undertaking, we've been doing now for some several years. In fact one of the very first major ones was Crop Insurance to Melville, Agricultural Credit Corporation of Saskatchewan to Swift Current, Pension Plan to Kindersley, and in recent days we've heard two or three or four or five more of these relocations. Why are we doing this, Mr. Speaker? Yes, we recognize there are some one-time costs. And I think in each instance these have been laid out, Mr. Speaker.

But as well we recognize that the business of government can be very useful in helping diversify and broaden the economic base, and in so doing stabilize rural and urban communities outside the capital city, Mr. Speaker. That's why we're doing it, to try and help stabilize these communities during these difficult economic times, Mr. Speaker.

Yes, we too are concerned and are doing our utmost to be sensitive to the employees. That's why on all occasions the employees are met with before announcements go out. Now I will admit there have been occasions, Mr. Speaker, where because of apparently leaks . . . and the media are not obliged to follow the rules of common decency or courtesy which would allow the employees to be the first to know through private meetings. The story is a bigger issue for them and I respect that; I suppose it's their job. But in all instances the first we've tried to inform have been the employees, Mr. Speaker.

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

**Mr. Tchorzewski:** — Mr. Speaker, a new question, and I ask it to the same minister. Mr. Minister, your policy is nothing less than a shifting of the chairs on the economic Titanic in Saskatchewan. That's what you're doing.

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

**Mr. Tchorzewski:** — Last week your House Leader, to an unbelieving press corp, said that the new policy for the government was not to embark on any project until you have the money in place to pay for them. It's almost unbelievable since . . . you saying this after ten years of deficit budgets.

In this budget you've budgeted only \$2.2 million this year for decentralization, and if every penny of that were to go to pay for the cost of moving jobs — using your numbers, which are not believable — then there would be sufficient money in the budget to move only 140 jobs. But you've already announced 280 jobs will be transferred and apparently there are more announcements to come.

So, Mr. Minister, in view of this, why are you misleading people in rural communities with phoney announcements just to get past an election? Isn't that what you're doing, Mr. Minister?

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

**Hon. Mr. Hepworth:** — Mr. Speaker, I would invite the member — the former member from I think it was the Humboldt area — to take a trip out into places like Melville, to places like Swift Current, to places like Kindersley, and ask them if this program that we've been embarking on for some several years now is somehow phoney.

Ask them if the new jobs and the economic activity in their towns and cities aren't important to them. Ask their chambers of commerce, ask their business people, ask their town councils, Mr. Speaker, if those aren't valued jobs and valued families and valued new members of their communities, Mr. Speaker. There's nothing phoney about this. This government has been embarking on a plan to help stabilize and revitalize our rural and urban communities, Mr. Speaker. We will continue with it — the community bonds, GRIP (gross revenue insurance plan) and NISA (net income stabilization account), Fair Share Saskatchewan — all part of our plan.

The hon. member can criticize, criticize, criticize. I say, where does he stand on decentralization? I say, what are his alternatives to diversify and stabilize the economy of Saskatchewan, Mr. Speaker? That's what I say to him. What are the alternatives? We hear criticism, criticism.

**The Speaker:** — Order, order.

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

**The Speaker:** — Now we have a situation here where hon. members are just going on and on and on. The Minister of Finance is guilty, and the member for Regina North East is also guilty. He's asking a long question. Now if the two members don't co-operate, I'm simply going to cut each of you off arbitrarily. Now there isn't any reason for long questions and even longer answers. This is not question and answer.

**Mr. Tchorzewski:** — Mr. Speaker, the new question to the minister opposite. Mr. Minister, your words sound very hollow in face of the fact that in the last several years you have eliminated over 1,000 government jobs in rural Saskatchewan, Mr. Minister. Very hollow.

Can you tell us how much of that \$2.2 million spent, that is in your budget, is spent on your fancy video program for your presentations which you've been using, for the three consultants you engaged to help you sell this program, and for the extensive advertising campaign which you've been undertaking — another cost to the taxpayers?

And can you tell us how much of that \$2.2 million is actually left to move the jobs around? How many jobs — at your estimate of even the \$15,000 each or the city of Regina's estimates of \$30,000 each, which is the estimate that was used in Manitoba — can you afford to transfer this year, Mr. Minister?

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

**Hon. Mr. Hepworth:** — Mr. Speaker, as far as the costs are concerned, as I said earlier the estimates have been put out in each instance. That's point number one.

Point number two — the video and other advertising that's been done — I would only say this, Mr. Speaker, that all those meetings that were held across the province where towns and cities could come and make their case and find out how they would go about this process, Mr. Speaker, were well attended. And I think the numbers of communities and cities and urban centres that responded indicates that they want to participate in this.

And finally, Mr. Speaker, the hon. member says my words ring hollow. Well let's just read, Mr. Speaker, into the record a very short two sentences because these will point out what hollowness really is and what hypocrisy really is. February 6, 1973 in *Hansard*, that member: "It is interesting to note . . ." and I quote:

It is interesting to note that of the 580 formal complaints (to Commercial and Consumer Affairs) 405 of them originated from southern Saskatchewan; 252 from Regina and immediate area. This indicates the need for decentralization of Government services.

That member, February 1973, Mr. Speaker. Now he sings a different tune. Where does he really stand? That's the question, Mr. Speaker.

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

**Mr. Tchorzewski:** — Mr. Speaker, a new question to the member opposite. Mr. Minister, your government is savaging the lives of Saskatchewan families for no better reason than to play cheap, partisan politics on behalf of the Conservative Party.

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

**Mr. Tchorzewski:** — Your decentralization program, Mr. Minister, is nothing but cheap politics which does not have any kind of a plan and is just the same as the plan that was announced in Manitoba costing \$30,000 an employee which the Manitoba government cancelled after the election.

Now, Mr. Minister, I'm asking you: why don't you admit that you don't have any kind of a plan, that you have not considered all of the right questions, that you've not considered the financial implications of this to all of the Saskatchewan taxpayers or the quality of the services that will be delivered? And why don't you admit that you're just playing cheap politics with the lives of people who work for the province of Saskatchewan and the communities you're talking about?

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

**Hon. Mr. Hepworth:** — Well quite frankly, Mr. Speaker, I'm surprised by the new-found criticism of this member and of the opposition. We know what their view was 10 and 15 years ago when he represented a rural riding. We've heard what some of their own members have had to say about decentralization as it relates to their ridings and the importance to their communities, Mr. Speaker.

I ask him: where has this new-found criticism come from?

I say to you, Mr. Speaker, this was not cheap politics when we moved Crop Insurance to Melville, when we moved Ag Credit Corporation to Saskatchewan. None of these questions were raised then. These were seen as good moves, Mr. Speaker, then. And the same program continued today makes the sense for revitalizing and stabilizing and helping broaden the economic base of those communities large and small across this province, Mr. Speaker.

I say to him, go and ask the communities. We have a plan; this is part of that plan, in conjunction with community bonds and GRIP and NISA. We're here to help stabilize these communities as they go through these difficult times, Mr. Speaker.

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

### Rural School Closures

**Ms. Atkinson:** — Thank you very much, Mr. Speaker. Mr. Speaker, my question is to the Minister of Education. Mr. Minister, the Provincial Network for the Preservation of Rural Schools has met with you and members of your government during the past two days to protest your government's underfunding of education and your policy initiatives which have led to rural school closure and partial school closures.

The average funding increase this year to rural schools has been eight-tenths of one per cent. Obviously that has not kept pace with the tax-driven inflation of this province.

Mr. Minister, at a time when you are preaching the benefits of a decentralized economy, why are you doing all you can to centralize rural schools in rural Saskatchewan?

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

**Hon. Mr. Meiklejohn:** — Well, Mr. Speaker, I did have a meeting with the representatives from the rural schools' network, yesterday as a matter of fact. There was no mention made whatsoever as to underfunding of education. The fact of the matter, Mr. Speaker, is that this year we probably have fewer schools closing and fewer schools down-sizing than ever before. Many, many fewer than when that party was in government over there.

And I'm sure, Mr. Speaker, that the member opposite knows full well that it's the school boards that make the decisions with regards to school closures and down-sizing. It is not the Minister of Education.

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

**Ms. Atkinson:** — Mr. Minister, new question. It's totally incorrect for you to place the blame in the laps of local school boards. Changes you made last year to the funding formula have resulted in a disincentive for local boards to operate small schools within a 30 mile . . . kilometre radius of each other. That is a decision, Mr. Minister, of your government, not a local decision based on local autonomy.

Now, Mr. Minister, it's very easy for you people to stand up here in Regina and talk about saving rural Saskatchewan. But when it comes to saving rural communities that are there already and rural jobs that are there already, you seem to have selective amnesia. Why should anyone, Mr. Minister, believe that you have plans for the future of rural Saskatchewan when they can see no evidence whatsoever that you're working to protect what's already there?

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

**Hon. Mr. Meiklejohn:** — Well, Mr. Speaker, I think it's very interesting to note that the member opposite totally misses the point as to why the PC (Progressive Conservative) government has the programs in place that it has now. Whether we're talking about Fair Share Saskatchewan, the community development programs or the farm programs, it is to try and stabilize the rural economy so that people will remain in the rural areas.

And, Mr. Speaker, the last thing I need is the member over there to be talking about education in rural Saskatchewan, because all but one of the years that I spent in education was spent in rural Saskatchewan. I'd ask her where she spent her time.

The fact is that these schools are closing, these schools are closing, Mr. Speaker, or down-sizing because there is a shortage of students. In the last 10 years, the enrolments have only dropped by 6,000 students — 6,000 students, Mr. Speaker.

So I think it's understandable, but school boards would have to make some changes to cope with that down-sizing of the enrolments.

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

**Ms. Atkinson:** — New question to this Minister of Education. He may have spent his years teaching in rural Saskatchewan but he certainly has forgot where he came from.

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

**Ms. Atkinson:** — Mr. Minister, the network is recommending that a representative, independent committee be formed to examine the question of educational . . .

**The Speaker:** — Order. Excuse me, excuse me. Order. I'd like to ask the Minister of Finance to please allow the member to put her question.

**Ms. Atkinson:** — Thank you, Mr. Speaker. Mr. Speaker, the network is recommending that a representative, independent committee be formed to examine the question of rural educational needs and to hold a series of public hearings in rural Saskatchewan to get the views of rural Saskatchewan citizens on the preservation of our rural schools.

Will you today agree, Mr. Minister, to the network's request and work with them to establish a committee in this province?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, the fact is as well that parents today and ratepayers throughout the province of Saskatchewan do have the right to form advisory committees to work with school boards. We have an excellent example of that in the city of Saskatoon right now.

Mr. Speaker, I would point out as well that it was that government, that party over there when they were in power in 1978, that developed the present Education Act which states very, very clearly the power of local school boards. And they have the power, Mr. Speaker, to determine where students go to school.

I am not going to interfere with the obligations that those school boards have nor the legal right that was given to them when that party was in power.

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

**Ms. Atkinson:** — Supplementary to the Minister of Education. Mr. Minister, you know full well that any funding decisions that are made in the province of Saskatchewan are made here in Regina by your government. You know full well that you can talk about local autonomy all you want, but if the locals do not have the funding to make autonomous decisions they have to close rural schools, Mr. Minister. Your underfunding is leading to the closure of rural schools or partial rural school closure.

Now I ask you again. The network has come into Regina from all over Saskatchewan. They have met with you, Mr. Minister. They have asked you to form a committee to deal with the whole issue of rural education. Will you or will you not form a committee in order to help preserve rural schools, rural communities, and rural jobs, Mr. Minister?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, this government has very clearly set out its plan for rural Saskatchewan. We haven't heard any plan from that side of the House. We haven't heard any plan from over there at all — what they would do with regard to rural schools.

The fact is that the enrolment in rural Saskatchewan has declined substantially in the last 10 years. That's the reason that schools are being closed today or being down-sized, Mr. Speaker. In fact, when you look at the record of all of those school divisions throughout the province of Saskatchewan, the majority of them received an increase in their grants this year.

And, Mr. Speaker, over the last nine years when this party has been in power, the grants to school boards throughout this province have increased by some 75 per cent. The total amount of money being spent this year right across the piece for education in this province — over 900 millions of dollars. Mr. Speaker, that's a commitment to education whether it be urban or whether it be in rural Saskatchewan.

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

### Funding for the Cancer Foundation

**Ms. Simard:** — Mr. Speaker, what we've seen is nine years of wrong PC priorities, and our plan is to clean up the PC mess, Mr. Speaker.

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

**Ms. Simard:** — My question is directed to the Minister of Health, Mr. Speaker, and it has to do with the latest underfunding of the Cancer Foundation in Saskatchewan which is going to result in the lay-off of 12 employees in this very important field, and as well, Mr. Speaker, cut-backs to research funding, which is a benefit received by oncologists and health care professionals in that area.

Mr. Minister, the result of your underfunding is going to mean a decrease in services to cancer patients. Now how do you justify that sort of underfunding, Mr. Minister, at a time when the incidence of cancer is increasing in the province?

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

**Hon. Mr. McLeod:** — Mr. Speaker, we really need to put this into perspective. The hon. member puts this in an altogether erroneous light.

In the budget speech my colleague, the Minister of Finance, announced a 10 per cent increase — 10 per cent increase — a 10 per cent increase in funding was announced for the Cancer Foundation, Mr. Speaker. That represented an increase over 1990-91 budgeted funding for the two cancer clinics, the foundation administration, and the breast cancer screening program which was initiated by our government, one a mobile program in the north-central portion of the province, and one free-standing breast cancer screening program here in the city of Regina.

Mr. Speaker, those initiatives are initiatives that have gone forward in the Cancer Foundation because of the commitment of this government over a period of time to the Cancer Foundation.

Mr. Speaker, operating grants to the Cancer Foundation have increased, Mr. Speaker, by 144 per cent since 1981-82. In that period of time, in that decade, Mr. Speaker, 144 per cent increase to the Cancer Foundation. Mr. Speaker, the Cancer Foundation will be able to carry on its programs with the allotted money.

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

**Ms. Simard:** — Mr. Speaker, the minister knows full well that it is not a 10 per cent increase, it's a \$1.2 million shortfall to the Cancer Foundation if it's to maintain the *status quo*.

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

**Ms. Simard:** — Now, Mr. Speaker, I must point out to the minister here — who says that he doesn't have adequate

money to make up this shortfall I'm talking about — that he's prepared to spend millions of dollars for a totally political program called Fair Share Saskatchewan at a time when cancer incidences are increasing in Saskatchewan. Nobody believes, Mr. Minister, that your government has any commitment to decentralization beyond your short-term political gains. In fact in Health, you're trying to centralize hospital and nursing home administration in 10 large regions, Mr. Minister.

My question, Mr. Speaker, is how can the minister have millions of dollars for its disposal to make political announcements such as Fair Share Saskatchewan when it doesn't have sufficient money to properly fund cancer patients in this province?

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

**Hon. Mr. McLeod:** — Mr. Speaker, the hon. member, the member for Regina Lakeview, makes a significant mistake if she believes that Fair Share Saskatchewan and the stabilizing of rural Saskatchewan is not a priority of this government and this Premier. She makes a serious mistake if she wants to characterize the Fair Share program as something other than a sincere attempt to stabilize rural Saskatchewan.

And to that hon. member and to anyone else, Mr. Speaker, Fair Share Saskatchewan, decentralization from this city in the entities that have been mentioned, is on and will happen, Mr. Speaker. That will happen because rural communities need stabilizing.

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

**Hon. Mr. McLeod:** — As it relates to the cancer clinics — the member talks about the increasing incidence of cancer — Mr. Speaker, over the past 10 years, the operating grant for those clinics . . . a significant increase under this government, a significant commitment under this government.

A brand-new clinic that was in dire need of a clinic in that city of Saskatoon for a number of years, when they were in government in better times. We built that brand-new clinic, Mr. Speaker. Nine per cent average increase over the last 10 years; a 2.5 per cent increase in the incidence of cancer — Mr. Speaker, that's commitment to cancer and that's commitment to rural Saskatchewan as well.

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

**Ms. Simard:** — Mr. Speaker, this is the same minister whose government has participated in firing over 400 dental workers across this province.

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

**Ms. Simard:** — And moving them out of rural Saskatchewan, Mr. Speaker. They have laid off highway construction workers, they've laid off teachers, and most recently nurses in hospitals . . .

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

**Ms. Simard:** — Mr. Speaker, that's their commitment to

jobs in rural Saskatchewan — lay-offs and firing.

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

**Ms. Simard:** — Every one in the province does not believe that they are sincere about their Fair Share program, Mr. Speaker. But they know that cancer workers are real and that they provide a service in this province.

**The Speaker:** — Order, order, order. Order, order. The question is: when will the hon. member for Kelvington-Wadena not interrupt? That's the question.

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

**Ms. Simard:** — Mr. Speaker, I'm asking the minister how he can justify putting the political needs of his party ahead of the needs of cancer patients.

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

**Hon. Mr. McLeod:** — Mr. Speaker, the commitment of this government to health care and the funding of health care is there for all to see in this budget, the budget before that, the budget before that, and over the term of this government. That commitment is there and it's clear for all citizens to see, and they know that it's there, Mr. Speaker.

The member mentions dentists. The commitment to rural Saskatchewan that we have is reflected in the number of dentists' offices that have opened in rural communities that were not there before, Mr. Speaker. Those are commitments to rural Saskatchewan and the infrastructure and the services in rural Saskatchewan.

To use an example that the hon. member used in her question, she says that we underfunded nurses, Mr. Speaker. Nothing could be further from the truth. The hon. member, I asked her a number of weeks ago in the House, what would she give? What's her commitment? What would be the commitment of the New Democrats in their flights of rhetoric. Mr. Speaker, 1,000 new nursing positions in the hospitals across Saskatchewan with a similar population now compared to what there were 10 years ago, Mr. Speaker — that's commitment to health care, that's commitment to rural Saskatchewan, that's commitment . . .

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

**The Speaker:** — Order, order. Why is the hon. member on her feet?

**Ms. Atkinson:** — Mr. Speaker, I'd ask for leave to introduce some guests that have just come into the gallery.

Leave granted.

## INTRODUCTION OF GUESTS

**Ms. Atkinson:** — Thank you very much, Mr. Speaker. Mr. Speaker, it gives me a great deal of pleasure to introduce to you and to all members of the legislature a number of people who have come to Regina to speak to various

members of the legislature over the last couple of days. These people are representatives of the Provincial Network for the Preservation of Rural Schools and I'd like to introduce these people who are sitting in the east gallery, Mr. Speaker.

I'd like to introduce Christine Torvik who is the chairperson of the network and she comes from Macrorie, Saskatchewan. I'd like to introduce Cheryl Robertson who comes from Conquest, Saskatchewan, and she is the media relations person for the network. I'd like to introduce Joan Brockman who is the secretary to the network and comes from Middle Lake, Saskatchewan. As well, Mr. Speaker, I'd like to introduce to all members of the House, Lynn Wray who comes from Buchanan, Saskatchewan, and is the treasurer. So I'd ask all members of the legislature to welcome our guests and I'd ask our guests to stand.

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

## INTRODUCTION OF BILLS

### Bill No. 83 — An Act to amend The Medical Profession Act, 1981

**Hon. Mr. McLeod:** — Mr. Speaker, I move first reading of a Bill to amend The Medical Profession Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

## ORDERS OF THE DAY

### MOTION UNDER RULE 16

#### The Disastrous Effect on the Saskatchewan Economy of the Provincial GST

**Mr. Shillington:** — Thank you very much, Mr. Speaker. At the conclusion of my comments, I am going to move the following motion:

That this Assembly condemns the Government of Saskatchewan for imposing the provincial GST which will have a disastrous effect on the Saskatchewan economy, costing the province much more in lost jobs, business bankruptcies, cross-border shopping and reduced tourism than the revenue this unfair tax collects.

Mr. Speaker, we have — during the month of May and now extending into the month of June — seen a steady parade of Saskatchewan people who say, with respect to the PST (provincial sales tax) as it's come to be called, the province simply can't afford this. We simply can't take it. We have such independent groups as workers, business people from the border communities, the independent automobile dealers' association, the wide variety of groups who have come to us and have said we just can't live with this tax.

What is more important though, Mr. Speaker, than the people who have said, we can't live with the tax . . . the business people . . . what is as important as the business people who have come forward is the consumers and the

ordinary Saskatchewan taxpayer. The ordinary Saskatchewan taxpayer who may not be in a retail business on a border community, who may not . . . like the automobile dealers selling used cars or the clothing dealers who may not be facing imminent bankruptcy, the ordinary Saskatchewan taxpayer is saying, no way to more taxes until you clean up the appalling waste and mismanagement. The public are saying that from one end of this province to the other. And this government adamantly refuses to listen.

And I say to members opposite, if you continue to flout public opinion, which is what you've been doing, if you continue to flout public opinion, you are going to pay a very heavy penalty in terms of the support which you might have otherwise enjoyed. You people may think you can flout public opinion on this issue of the tax Bill, and you have. You have flouted it continuously over the last month. You may think you can flout the public opinion, but the public get the last say and the last say is not very far off.

Undoubtedly members are going to postpone judgement day as long as they can. But that only puts it a few weeks away. It's only 12 to 14 weeks away. At the very utmost, you're only going to put it off for 12 to 14 weeks, and the public are going to have the last say. And by flouting public opinion on the issue of the PST, you're going to reap a very, very bitter harvest.

**An Hon. Member:** — Well why worry about it?

**Mr. Shillington:** — I know members opposite . . . well because the members opposite ask me, why worry. Why are we worrying about it? Because we're not quite as cynical as you people. We believe that we are here to produce good government and that that is our first responsibility, not getting elected. Members opposite believe that their first responsibility and their only responsibility is to themselves. They believe that the only reason they're here is to get themselves re-elected.

I say to members opposite, one reason why you're so far back in the polls as you are is because you never did have any sense of responsibility to the public. Your only responsibility is to yourself. And I have no idea what the member opposite wants me to say outside the House. Nothing I have said is in any sense libelous, and certainly I think it's all going to be confirmed rather soon. It's going to be confirmed within a few hours, I believe, that you'll find out what a bitter harvest you're reaping on the PST.

Mr. Speaker, we have a government which has treated, from the very beginning, has treated public office as if it were some sort of a private hunting preserve. From the very beginning, had no sense of responsibility. Came into office in 1982, paid what Colin Thatcher, the former member from Thunder Creek, described as obscene salaries. And the salaries to the political appointments were obscene. The public have now become somewhat jaundiced by it and indeed have come to expect nothing more from this government.

But you come into office making patronage an absolute corner-stone of public policy, and you've continued in the very same vein. Why were boondoggles, of which

many people believe the Rafferty dam may well be the largest, why was that proceeded with in the absence of any proper engineering or study? Because it was thought to be in the best interests of the Conservative Party.

No one . . . The member's contribution is really going to be missed. No one would have said for a moment that you were acting in your own interest if you'd have prepared and filed some studies which suggested the Rafferty project was a good one. To this day that has never been done. To this day that has never been done. No adequate explanation has ever been offered to the public of Saskatchewan for that expenditure.

I can go on and on and on with respect to the fashion in which this government has wasted money in big ways and in small. What has the result of your waste and mismanagement been? The result has been, Mr. Speaker, that during the nine years that this government has been in office — nine years and one month that this government has been in office — inflation has gone up. Inflation has increased by 46 per cent but your revenue has increased by 61 per cent. Your revenue has gone up faster than the rate of inflation. Why do you have almost unmanageable financial problems? Because your spending has gone up by 85 per cent.

And when you look to the solution for your deficit, for your runaway budgetary problems, you need to look at the expenditure side and not at the revenue side, and that's what the public are saying to you. The public are saying to you people: we want you to begin on the expenditure side, and when you have cut expenditures back to the point where you're running an efficient and reasonable government, then and only then will be the time to consider any form of tax increases.

You people absolutely refuse to admit there's a nickel to be saved on the expenditure side. Every time members of this opposition question — never mind accuse — question the Minister of Finance about waste and mismanagement, he gives us a patronizing speech about not being able to save any money on paper-clips. Perhaps you can't save a lot of money by cutting back on paper-clips but you can save a lot of money by cutting back on advertising — tens of millions of dollars.

And as long as the television in this province is inundated by advertising, by people who come to us — Maxwell Smart I guess is the stage name of this character — come to us and attempt to sell us on the merits of our own province, as long as you waste money in that fashion, tax increases are going to be absolutely unacceptable, and so they should be. They should be because it's unnecessary and because it won't work.

Members opposite are in the same position as the prodigal son or the prodigal daughter; someone who is living beyond their means, can't solve the problem with a little more income. We all have a neighbour, a child, a relative, perhaps it is ourselves, who always have difficulty meeting our bills notwithstanding an income that many people would consider generous. Why do these people have trouble? Because they're overexpending.

Just yesterday, Mr. Speaker, I was reading about a bankruptcy of one of the senior lawyers in Toronto. His income in this firm was over \$400,000 a year and he went bankrupt. What happened? It wasn't that he didn't have enough income; it was that he was overspending.

You people have been overspending for nine years. And until you bring that process to a halt, no amount of additional revenue is going to solve the problem, and that is your fundamental mistake. It is a mistake in terms of policy and it's a political mistake. It is a mistake because you can't solve your fiscal problems by increasing taxes. It won't work. Those taxes will disappear in the same sink-hole as the other revenue which you've had.

And you have enjoyed generous increases in revenue. Your revenue has increased faster than the rate of inflation. You ought to . . . if you had run an efficient government, you could have provided a level of services which would have been the pride of this province, and you wouldn't have the member from Regina Lakeview and the member from Saskatoon Nutana asking pointed questions about cut-backs to schools and cut-backs to hospitals because you would have the money to do it.

But you're not running an efficient government; you're running the most inefficient government this country has ever seen. As a result, the generous increase in revenue has just been wasted.

And an interesting experience, Mr. Speaker . . . On the weekend I had an opportunity, as part of a larger group, to meet with Professor Neil Brooks who teaches at the University of Ottawa. His specialty is public financing and in particular taxation and taxation policy of the provinces.

He said to the group — and I don't think he picked this up in Saskatchewan because I don't think he was here long enough — but he said one of the perplexing questions which he had when he began to review Saskatchewan's finances is: where has all the money gone? He said it was apparent from a superficial glance that this is a high-taxed province. The people of this province pay higher taxes than most Canadian provinces.

And we know, Mr. Speaker, from the study done by Global Economics that this country pays a higher level of personal taxes than most other western developed nations. People in this province are one of the highest taxed provinces in one of the highest taxed countries in the world. Why can't this government make do? It can't make do because it refuses to admit that there's any savings to be made on the expenditure side of government — and there are. There are an endless number of places that you got to cut back and which should be cut back.

And so long as you people continue to think you're going to solve your problem by increasing taxes, then you are without hope. You are without hope in terms of your ability to run a government, and you are without hope in terms of your ability to win an election. So long as you persist in this course, you are on a course of destruction. The province is going to be destroyed and so will the Conservative Party.

(1445)

Mr. Speaker, the members opposite have simply got to come to their senses. This debate has taken a fair while. It has taken a fair while because we believe that sooner or later, common sense and some rationality will seep into government ranks. We can't believe you're going to continue for as long as you have. We didn't believe you could continue as long as you have. We can't believe you'll persist for ever in what is perhaps the single most serious mistake you have made during your time in office. We believe you'll come to your senses and this debate is going to continue for as long as we can, until you people come to your senses.

Mr. Speaker, I'm reminded that the clock is running. I therefore move, seconded by the member from Athabasca:

That this Assembly condemns the Government of Saskatchewan for imposing the provincial GST which will have a disastrous effect on the Saskatchewan economy, costing the province much more in lost jobs, business bankruptcies, cross-border shopping, and reduced tourism, than the revenue this unfair tax collects.

Mr. Speaker, I move that, seconded by the member from Athabasca, and I genuinely look forward to the response of members opposite.

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

**Mr. Thompson:** — Thank you very much, Mr. Speaker. I rise in support of this motion by my colleague, the member for Regina Centre. The motion that reads:

That this Assembly condemns the Government of Saskatchewan for imposing the provincial GST which will have a disastrous effect on the Saskatchewan economy . . .

And I want to now explain through you, Mr. Speaker, and to the House just what the effects of this provincial GST (goods and services) is going to have on the province of Saskatchewan.

Mr. Speaker, as you know, the federal GST was put in place by the federal government. And six weeks after that imposition of the Mulroney government's federal GST, the provincial government announced its plans to impose a 7 per cent provincial GST in Saskatchewan. The government's plan entails harmonizing the new provincial GST with the federal GST.

And some of the items that are going to be harmonized, some of them have started on April 1, and some will take place in July 1 or in January 1 of next year . . . indicates just how damaging this provincial GST is — a tax that is going to collect \$400-and-some million, implementing the provincial PST in two stages, extending the 7 per cent provincial sales tax to a wide range of previously untaxed goods on April 1, 1991, and extending it to services and establishing the businesses input tax credits on January 1, 1992.

Now, Mr. Speaker, on April 1, 1991, some of the items that have been taxed and citizens of this province have been expressing their concerns, actually expressing their concerns in the hundreds of thousands as they have signed petitions and are still signing petitions and sending them in to members of the legislature, asking the government opposite to change their mind and get rid of this 7 per cent provincial sales tax — a tax that is probably the biggest tax that's ever been imposed in the history of Saskatchewan.

Some of the items that have taken effect on April 1, 1991, that were exempt: children's clothing and shoes, all adults' clothing and shoes under \$300, books and magazines. And, Mr. Speaker, you can realize the outcry that's coming from this province — of educators in the province and parents who are concerned about this added tax on reading material, newspapers, subscriptions, restaurants.

And restaurants and meals, Mr. Speaker. That is just another tax, as the member from Saskatoon University indicated last night, is the tax on food. There are many individuals in this province who go out to eat on a fairly regular basis. And when they go out and they have to pay the 14 per cent sales tax, they just say, well that's it; I'm just not going to go out any more.

And you can talk to restaurant owners all over this province, and they'll indicate the same thing, that individuals are just not coming to the restaurants. They're not coming in for meals. And as a result — and I'll get to that a little later on — you see the losses in jobs, and you see closures contributing to the large numbers of bankruptcies that we have in the province. Snack foods, soft drinks, residential electricity, natural gas, and home heating — now that has all taken place, Mr. Speaker, on April 1 of this year.

On January 1, 1992, we have another further increase in the sales tax, and I sincerely hope that the government here will, in their good judgement, will implement a six-months' hoist and just leave the Bill as it is now until the provincial election is over. Let the citizens of this province indicate to you if they are in favour of the tax. And fine, if you are fortunate enough to get yourself re-elected, then fine, go ahead with the harmonization and the addition of the PST. But let's take a look at a six-months' hoist. Leave the Bill as it is until the election's over.

And I think in all fairness — surely there's some fairness in some of the members over there. You must be going back to your constituencies the same as we are. Individuals in our constituencies are indicating very clearly that this is a bad tax and it has to come to an end. And you have seen the number of petitions that we have tabled in the House, and we intend to table a lot more.

So I'd just say to the individuals across there, let's leave the Bill as it is, have a six-months' hoist or completely get rid of the tax, have an election and let of the citizens of Saskatchewan speak out.

Now on January 1 we are going to have another increase and this is what you're going to be paying taxes on. And



you're going to go in and get your hair cut, you're going to pay so much for the haircut and 14 per cent taxes. And that hurts everybody. It hits families who take their children in to get a haircut and they get a 14 per cent tax increase on top of the haircut. And I say to the individuals over there: that's just not fair.

You're going to get postage stamps — 14 cents. Auto repairs, home maintenance repairs, boat rentals, legal services, used vehicles — they're all going to have the 14 per cent sales tax or the 7 per cent provincial tax plus a 7 per cent GST.

And you go out and you buy yourself a new vehicle and you pay that sales tax. And then you go out and another member of the family buys another used vehicle and they also pay that.

So just take a look at the taxes that are being imposed upon the citizens of this province and you can see it's bad, it's bad for small business, it's bad for the working families in this province. And I say, Mr. Speaker, it's an unfair tax and it should be stopped.

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

**Mr. Thompson:** — And as I indicated before, when you implement a tax of this magnitude it is just a tax that is passed on to the consumers. If you have a company, regardless if it's a carpenter or home repairs or if it's a plumber, electrician, if they're going to come to your home or to your business and they're going to do a job for you, and when you get the bill you're going to find out that you're going to get the 14 per cent — 7 per cent GST, 7 per cent PST — added on to that service charge.

Plus you're also going to get charged if they have to replace anything, they have to buy any materials, they also have to pay that 14 per cent because the individual who is doing the repair work has had to pay the lumber yard or the outlet where he has purchased a motor that he has to replace for you, electrical motor. So once again the consumer is getting dinged with a high tax. And this has to stop.

And this is what's happening in Saskatchewan today. You can see the amount of bankruptcies that we have in the province. Individuals are not looking after their businesses properly because they just don't have the money. Individuals are not coming in and patronizing them so the business goes down.

And we have so many bankruptcies in the province, it's just fantastic. And you go to places and you can see motels, you can go into a motel and you can see that they just don't have the staff because they don't have the money to operate properly.

And why? You know, you talk to citizens all over this province who say, we just cannot pay more taxes; we don't deserve this. And they say, why are they charging these taxes? How did we get into this situation?

Well I can tell you, Mr. Speaker, we got into this situation because of the government opposite, the Conservative government who started off on privatization. And that's

the way they were operating. And the potash industry, they privatized that. They sold our assets, so our taxes go up. They don't mind paying Chuck Childers \$740,000 a year and all the perks that he can get.

But I just say to this government, it's time that you all stood up in the back bench and said, enough is enough. This is too much on the citizens of Saskatchewan.

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

**Mr. Thompson:** — Do what we have said over here. And we have indicated quite clearly that if we are elected we will do away with the provincial PST. It no longer will be there. There will be no implementation of the PST on January 1, 1992, if we are elected.

So I say to the members opposite, you have to be getting the same flak that we're getting when we go into our constituencies. And I tell you, I get it wherever I go. If I go to . . .

**The Speaker:** — Time has expired.

(1500)

**Mr. Hopfner:** — Thank you, Mr. Speaker. Mr. Speaker, I have listened fairly attentively to the member from Regina Centre and the member from Athabasca and I will be moving an amendment to that motion that is ahead of us on the floor of this legislature.

Mr. Speaker, I have been, I guess, probably somewhat shocked that . . . It is simply amazing, I've got to say, that the NDP have agreed to talk about this Bill at all. Because I guess the more time they spend talking about it, the more obvious it is that they don't have much for alternatives. I have not heard anything but sheer negativity regarding Bill 61, Mr. Speaker. And yet, through that negativity, I have not heard any alternatives.

I want to indicate to you, sir, that they all seem to agree that the money has got to come from somewhere and they all seem to agree that they don't like the harmonization. But, Mr. Speaker, it's fine. But this is, I guess, a free country and they're entitled to their opinions. But they also are elected representatives and they have an obligation, a duty, and a responsibility to come clean with the people of Saskatchewan and the members of this Assembly and tell us once and for all, what is the NDP alternative?

Mr. Speaker, as I travel my riding in my constituency, I visited with a number of constituents in the last month when we really had gotten into a filibuster regarding Bill 61 here in this Assembly. And I looked at the number of names that had been presented in this legislature in regards to the petitions that the NDP said, well everybody from all over is really upset with this administration.

I want to indicate to you, Mr. Speaker, that my people from my riding understand that bills have to be paid. In my riding, Mr. Speaker, over the last nine years now, my riding has come out of a drought, a drought that has actually stagnated the constituency. They weren't able to convince the NDP (New Democratic Party) government

of previous years to build schools and hospitals and nursing homes in my riding. They weren't able to convince them to put any major expenditure in the twinning of the Yellowhead or other rural road projects or highway projects.

I want to indicate to you, Mr. Speaker, that when the NDP opposition have talked and want to know . . . and their suggestion to the people of the province as they speak in front of the cameras here and from the floor of the legislature, indicate that there's been a total waste and mismanagement from this government. Well I'd be the last to say, Mr. Speaker, that maybe there has been some dollars that might have been . . . what some people could consider wasted or mismanaged or whatever, but I would indicate to you, Mr. Speaker, that would be very, very minimal.

I want to indicate to the members opposite though that why Bill 61 is going to help this province economically. Bill 61 will help by helping this province become a stronger province in the economic world, in the investment world. It's going to help get all our investments paid for in this province, like our hospitals and our nursing homes and our school facilities. It's going to bring and help pay down our debt.

And I want to indicate to you that through these particular collections in the near future, it's going to allow this province to move in that direction of lower taxation in the province of Saskatchewan. I want to indicate to you, Mr. Speaker, that members of the NDP have been promising us one thing. They're promising the people of this province the fact that they're going to repeal Bill 61, and they're going to . . .

**The Speaker:** — Why is the hon. member on his feet?

**Mr. Shillington:** — With apologies to the member from Lloydminster, I wonder if I might interrupt him to make some introductions.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Shillington:** — I'll be very quick. Mr. Speaker, it's my pleasure at this time to rise to introduce a number of independent auto dealers and suppliers who are members of a coalition of business people opposed to the introduction of the provincial GST. By their presence, they're demonstrating their opposition to this government's harmonization plans and will no doubt be interested in the member's comments from Lloydminster as to why they really ought to welcome the new tax.

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

## MOTION UNDER RULE 16

### The Disastrous Effect on the Saskatchewan Economy of the Provincial GST (continued)

**Mr. Hopfner:** — Thank you, Mr. Speaker. Mr. Speaker, they're promising the people of Saskatchewan that they're going to be repealing the provincial sales tax to

what it will be once the Bill is passed. And I want to indicate to you what that means to the business people in this province. I want to indicate to them that they have no longer any chance of any input tax credits back in regards to their business.

And I want to indicate to you, Mr. Speaker, I as a business man know how much money I spend one year through another into the next and, you know, through having to meet a bunch of obligations. And this year is just the beginning of help for small business across this province.

I want to indicate to you that what this means by the NDP repealing the Bill 61 and the PST, that will mean higher income taxes. And I want to say to you, Mr. Speaker, that I would sooner have control on my expenditures and be able to control my own dollar by saying, well maybe I don't have to purchase that particular item where I have to pay a sales tax.

But I'll tell you this, Mr. Speaker, if it's on income tax, what the NDP are promising . . . and the member from Regina Centre said this in Regina. He said that they would get their new tax source from personal income tax and corporate income tax.

So those people that are here today will understand that once you're looking at raising the equivalent amount of dollars to pay the bills in the province of Saskatchewan, you are now looking at 23 per cent higher income tax in this province, or you will be looking at higher gasoline taxes in this province, or you will not be able to as well deduct any kinds of those expenses in your businesses any longer.

And I'll tell you, Mr. Speaker, what it is here today is a point of adjustment. And once those adjustments take place and the people understand just exactly how this is going to work, and the more we talk about it, the more the truth will come out. I want to indicate to you, Mr. Speaker, that Bill 61 will particularly be a lot better than me looking at the 23 per cent higher income taxes that the member from Regina Centre has been offering. Because there I have no opportunity, I have no opportunity to write anything off. I have to take that 23 per cent before . . . or that 23 per cent is taken from me before I even get my cheque, let alone the members opposite. I would tend every member realizes what I'm saying is true.

And I want to tell you, Mr. Speaker, if we're looking at gasoline — well for every 1 cent tax increase in the province, that will bring \$20 million. So I can say this, that we're going to be looking at probably in the neighbourhood of, what, 10 cents a litre increase in gasoline. Is that what . . .

It's time that the member from Regina Centre came clean with the people in the province of Saskatchewan. And I indicate to you, it's fine to go out there and be opposed to everything, but you'd better have answers for the people in this province. Because I'll tell you, it is not sitting right in my riding.

And I'll tell you, we for one if any . . . I come from the border riding of Lloydminster. I represent half of that city. And I'll tell you, the people of that community appreciate

the beginning of what they can see is it brings them in closer harmonization with Alberta than what they have had to put up with over the years.

And I want to say, Mr. Speaker, that I'm going to move an amendment. And I'd like to read into the record, Mr. Speaker:

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

recognizing the competitive advantages that Bill 61 will give to the Saskatchewan business and the resulting economic growth for the entire provincial economy, and recognizing that revenue generated by Bill 61 will fund the GRIP and NISA programs which are essential for the survival of rural Saskatchewan, condemn the opposition for obstructing passage of this Bill without offering viable alternatives to fund GRIP and NISA and increase the competitiveness of Saskatchewan business.

Mr. Speaker, I'm going to so move, seconded by the member from Yorkton. And this here, Mr. Speaker, is probably as about a true an amendment to any one of the motions that could be . . .

**The Speaker:** — Order. Order, order, order. You've already had your opportunity. And the member from Prince Albert-Duck Lake may get his opportunity. I'm not sure if he's on the speaking order or not.

**Mr. McLaren:** — Thank you very much, Mr. Speaker, for this opportunity to rise in my place today and take part in this very important debate on the harmonization of our PST tax in Saskatchewan.

And today, Mr. Speaker, presents this legislature and the people of Saskatchewan a very unique opportunity. Today not only do we have the chance to debate the members opposite on the financial future of Saskatchewan, we also have the chance to ask the member from Saskatoon Riversdale and his members, some very specific questions, and maybe we'll get some specific answers. Maybe today will be the day that the hon. member will come clean and tell the people of Saskatchewan . . .

**The Speaker:** — Order, order, order, order. The hon. member for Saskatoon Westmount is on his feet. Order.

**Mr. Brockelbank:** — Mr. Speaker, I want to raise a point of order with regard to what's going on at this point in the agenda.

The item that's under consideration is motions under rule 16, item 1, to which the member has offered an amendment. The essence of the amendment is to strike out the operative part of 1 and substitute therefor item 2 in its entirety. I listened as you read the amendment, Mr. Speaker, and it matched with item 2 exactly.

On the point of order, Mr. Speaker, I want to find out from you if it's possible for a member to elevate his motion which is on the order paper into discussion in this

manner. I want to find that out, Mr. Speaker.

(1515)

**The Speaker:** — Okay, I have listened to the hon. member's point of order, and the explanation briefly is as follows. That the motion as proposed by the member for Regina Centre has been moved. Therefore the effect of that was to have the effect of dropping item number 2 under motions under rule 16. The motion having been dropped by the moving of the first motion by the member for Regina Centre, then the amendment as worded is in order.

**Mr. McLaren:** — Thank you very much, Mr. Speaker. As I was saying, maybe today will be the day that the hon. opposition will come clean and tell the people of Saskatchewan what will they do to replace the expanded sales tax if they appeal it. Where will they get the revenue to pay the \$180 million for GRIP and NISA? Where will they get the 100 million required to reduce the deficit this year? Where will he get the \$1 billion required to pay for his promised revisions to the Social Services critic?

It is time the member opposite put his money where his mouth is and answered these questions. We don't want to see him duck and dodge and dip and weave around saying all that is needed is the elimination of government waste and mismanagement. That is a cowardly way to approach this debate and it's time for real answers. The people of the province are tired of hearing that eliminating waste and mismanagement is the answer to all of our troubles.

And I have yet to hear their interpretation of what waste and mismanagement is. Is it providing the farmers of our province with assistance, with money to help them through some rough times? Is that waste and mismanagement? Is it providing people the opportunity to repair their homes with a \$1,500 grant? Is that waste and mismanagement? Is it mismanagement to reduce the tax that was escalating by huge percentage points before we were elected, to give the people of this province a break in taxation? Is that waste and mismanagement?

The only thing that I've heard is GigaText. But we look at Nabu. What happened to Nabu when that outfit was in the driver's seat, putting money into Toronto for a computer or some sort of — what was it anyway? — translation thing. And \$8 million lost, buying shares on the stock exchange, which didn't create any jobs in Saskatchewan. What happened to it? It was lost — \$8 million. We don't hear about that. But we hear of the \$5 million that was spent on GigaText.

And I'll bet you any money that somewhere in the next few years that that technology will become a reality in this province. It's no different than the company I worked for. We did total type work. We'd spend three, four, five years testing equipment, trying to get it ready for the market. And it cost us a lot of money to do that. But we did it. And that's the only way you can proceed in this world of ours.

The people of the province are tired of hearing about waste and mismanagement. I'm getting it at home every weekend when I go home. They realize that even by

taking the measures the member from Riversdale mentioned last week, which would save about \$76 million, comes nowhere near the revenue needed to provide agricultural protection for this year, never mind paying for the rest of their promises. They are especially tired of hearing it from the member opposite, and an opposition that has continually changed their position depending on which way the wind is blowing.

Today, Mr. Speaker, that proposition has a chance to tell the people how they will generate alternate sources of revenue for this province. They have had other opportunities as well. The debate that was held last Wednesday night offered the member from Riversdale a glorious opportunity to give some solid answers.

But, Mr. Speaker, he let that chance slip through his fingers by giving weak and ideological double-talk. The people of Saskatchewan have had enough, Mr. Speaker. They want answers.

The government has made its position very clear from day one, Mr. Speaker. We were asked what this tax was needed for. We have stated that the expanded E&H (education and health) tax is the most responsible way to distribute the cost of agricultural assistance, agricultural assistance that would generate \$1.3 billion, Mr. Speaker. Can you imagine what \$1.3 billion in the pockets of the farmers of Saskatchewan would do for our economy. They spend it in Yorkton and I'm sure they'll spend it in every other community in the province. We were asked to do what we could for agriculture, but don't run up the deficit.

Mr. Speaker, this tax allows us to provide agricultural assistance at the same time as eliminating the deficit in three years. We were asked what this tax would mean to businesses across the province. We indicated the tax will generate \$260 million in tax savings and be much easier for business in the province to administer, Mr. Speaker. We were asked how low income families would be affected. We had stated that we had implemented a family tax credit system to protect low income families.

We run a small business — or I used to; my son has taken it over — a music store in Yorkton. This tax input credit is going to put thousands of dollars back into his pocket which has always gone for education tax. But the members opposite, as well as . . . (inaudible) . . . from '82 on. Any item that we used in our store that we paid education tax on will be rebated now. And for a small business, that's a lot of hay, Mr. Speaker.

What about the low income families? A \$200 tax credit a year plus the tax credit that will come from the federal GST, upwards to \$500 per child. The family of four, \$2,000 back in their pockets will cover a heck of a lot of education tax for meals and books and some clothing, Mr. Speaker.

Ask the member from Riversdale how he would raise the revenue that's needed to pay for GRIP and NISA. How would members opposite raise the revenue needed for the numerous election promises? Ask them how they will eliminate the deficit. What was that answer? Four years, 15 years, 20 years, or maybe they didn't mention

anything about deficit reduction at all.

Every time the opposition gets pinned down to answer something, they simply say, I can't recall saying that, or I'll duck the question today. That is not good enough. We have finally established that they will get rid of the tax after months of their flip-flopping around the province on that issue.

Now that the member from Riversdale has committed himself to that, how will he pay for this province's needs? Was he being forthright with the people when he said he would cut government advertising by 80 per cent? Will he stand up in this House today and tell the printers of small community papers that if the NDP are elected, the government will no longer be doing business with them?

It's amazing about the number of letters that I'm starting to get in my office, and I'm sure my colleagues are, as well as the member from Riversdale, about the impact of the elimination of that tax and advertising will be for them.

Will he stand up in this place and say that increases in income tax will be inevitable if the NDP win power? Will he acknowledge that the revenue lost from the elimination of the E&H tax will have to be made up through some other particular mechanism? Will he stand up today and say that balancing the budget and deficit reduction will be impossible without the revenue generated by the E&H tax? Or will he stand up in this place today and retract all of the election promises he has made along with his colleagues because they simply will not have the revenue to supply those promises?

He has a chance today to answer to all these questions, Mr. Speaker. And quite frankly the people of this province deserve and expect nothing less.

I can understand if the members opposite are feeling a bit nervous about their position on the tax. You see, Mr. Speaker, they are comfortable with the political advantages to opposing any tax instituted by government. What they are not comfortable with is the fact that the people of the province are saying that it isn't good enough just to oppose something. You have to be able to alternate credible . . .

**The Speaker:** — Time has elapsed.

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

**Ms. Smart:** — Thank you, Mr. Speaker. Mr. Speaker, I think it was . . . I'm going to be speaking against the amendment and in favour of the motion that's before us today, of course.

But, Mr. Speaker, as I was listening to the members opposite speaking about this tax, I was remembering that it was about four years ago in the Legislative Assembly that I made the comment that I felt like I was Alice in Wonderland attending the Mad Hatter's tea party.

And since that time so long ago, I felt that way many times in this legislature, but not nearly as strongly as I have in the last weeks as the government has been defending the Bill 61 to bring in the provincial sales tax. The arguments

that they have been using have made no sense whatsoever. And this tax makes no sense whatsoever and it is a very unpopular one in the province of Saskatchewan.

This government opposite for nine years has collected every year \$4.5 billion in taxpayers' money, without the expansion of the provincial sales tax. Those are the hard-earned dollars of the people of this province. And they have not been able to manage a province of under a million people with \$4.5 billion in revenue.

The waste and mismanagement of the government opposite has been scandalous over the years, and we have many, many examples of the way in which the taxpayers' money has been wasted. The reality is that they've collected a lot of money in this province, and it has been spent on scams and on megaprojects and on patronage in ways that have been just disgraceful.

The member from Yorkton mentioned the money that was spent on the home improvement program. Only last November we found out in Public Accounts that that particular program has \$10 million in loan defaults out of the treasury of Saskatchewan — another example of the waste and mismanagement.

And our side in opposition has been very clear on what we would do to address this issue. We have said it over and over again, but the Mad Hatters opposite are not understanding what we are saying. But the people of Saskatchewan do understand.

What we will have to have first and foremost in this province is an independent auditor to look at the books, to open the books and see what's happened to the money that has been wasted, collected from the taxpayers of this province.

Mr. Deputy Speaker, in opposing this tax, I stood in front of Midtown Plaza in Saskatoon, collecting signatures on petitions. And people said to me often, what good are petitions anyway? Or they would say things like, signing a petition isn't going to make any difference. Or things like, the government isn't really going to listen to us. And they were very cynical and very full of despair.

But we brought those petitions into the legislature, and when the government opposite was forcing closure on us in debating this sales tax, we used those petitions as the voice of the people to speak in this legislature for 10 days in opposition to this sales tax.

When the government opposite brings in an amendment that says that they want this Assembly to recognize the competitive advantages that Bill 61 will give the Saskatchewan business, you really wonder where in the world they are. Even their own ideology of competitiveness doesn't stand up when you sock the consumers of Saskatchewan with such a high tax.

It makes no economic sense whatsoever to inflict this tax on the people of Saskatchewan. Because even if the businesses get back a tax credit, the businesses get no consumers, no customers. And that's the issue. The issue is the failure of people to have the disposable income to

pay this tax. And the chaos that has been created particularly along the border communities, not just with the United States but with Alberta, has hurt the border communities tremendously and many of them are complaining.

(1530)

And, Mr. Speaker, earlier this afternoon we heard from the member from Cut Knife-Lloydminster speaking to his amendment with great pride. And I would like to take this opportunity to read into the record an article from the *Star-Phoenix* of Tuesday, May 28. And, Mr. Deputy Speaker, I am now quoting from the *Star-Phoenix*, that:

Michael Hopfner, PC MLA for Cut-Knife-Lloydminster, said he's aware of the lobbying out of Maidstone, but he's not recommending any change to government policy.

Business people must learn the PST and its input tax credits will ultimately be good for business and the economy, he said.

But Maidstone business doesn't buy that at all.

"That's bull and they know it," retorted Kay Key, manager of the Maidstone Co-op.

End quote, Mr. Deputy Speaker. That's what they think in Maidstone, Saskatchewan, one of the many communities in the province that has been very hurt by this increase in the sales tax — a 14 per cent tax on retail goods for sale on the borders of Alberta and with the United States.

Now what this government opposite has done is to call in the federal government who now is promising to increase the police surveillance and the custom surveillances on the borders with the United States to collect the tax. And that's not going to work because people are so fed up with the government's waste and mismanagement and with the fact that they're taxing the province, that they are going to find all sorts of ways to bypass this tax.

Mr. Deputy Speaker, I'm reminded of an article in the *Maclean's* magazine where someone was quoted as saying, it's not the Canadian way to yell and scream in the street, but people have reached the breaking point. Consumers are using cross-border shopping as their tax revolt. They're voting with their money and their feet.

And that is so true, Mr. Speaker, in Saskatchewan. And it is hurting our businesses so very badly. We have described it on this side of the House as a body-blow to the businesses of Saskatchewan. And if the government members opposite can't recognize that reality, they are very much out of touch with what is happening in this province.

Mr. Deputy Speaker, the problem with the tax, with the cross-border shopping, has been debated at some length in the House here. It means that people are going over the border for the items that are now taxed with this new tax, and they are learning a way to bypass the government. They are having to pay in Saskatchewan much more for children's clothing, for restaurant meals. And how in the

world a tax like this helps competitiveness when we have so many restaurants, for example, in competition with each other already and you sock them with a tax like this, and most of them are very fearful that they are going to have to go under into bankruptcy and add to the great number of bankruptcies that the province has already experienced.

That is not competitive business. That is total destruction of the economy. And it's interesting to watch when you bring in a sales tax like this how the businesses and the people of the province fall like dominoes in front of this major change.

It's putting people out of work. Workers are losing their jobs because businesses have to close. That's not business competitiveness when people lose their jobs. Although the government opposite seems to think that this tax is going to create jobs, it's doing quite the opposite.

It's also hurting the small businesses and it's hurting the consumers, particularly the consumers on lower incomes. And over the last nine years under the Conservative government in this province, people's incomes have dropped dramatically. Costs have gone up. Taxes have gone up. Services have gone up in price and people's wages have not increased to meet that demand.

People are hurting. And now in the dying days of this government we have even more chaos than we've ever had before. We have this sales tax bashing our communities. In Saskatoon, where people don't have the disposal income to support their business . . .

**The Speaker:** — Order. Member's time has elapsed.

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

**Mr. Britton:** — Thank you, Mr. Speaker.

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

**Mr. Britton:** — Mr. Speaker, it's a pleasure to rise in my seat and say a few words on this subject, Mr. Speaker. It's a little unusual because I was a little surprised that the members would want to debate this Bill, Mr. Speaker. But anyway, Mr. Speaker, it's amazing that they agreed to talk about it.

Mr. Speaker, they all agree that the revenue is needed. And they all seem to agree that the money has to come from somewhere and they also seem to agree, Mr. Speaker, that they don't like harmonization except when you look at some of the statements made by the member that passed the . . . made the motion. He says this harmonization is not necessarily bad. So I guess, Mr. Speaker, day by day they change their mind.

Well, Mr. Speaker, that's fine. It's a free country and they are entitled to their opinions. But they are also entitled . . . and they're also elected representatives and they have an obligation, Mr. Speaker, and indeed a duty and a responsibility to come clean with the people of Saskatchewan and the members of the Assembly and tell us once and for all: what is their alternative? Where are

you going to get the money? I would also ask the member from Saskatoon University where he's going to get the billion dollars he wants to spend.

We've made promises, Mr. Speaker, and they've made promises. They've made promises to people all across Saskatchewan and how do you think they're going to pay for it? How do you think, Mr. Speaker? Do you know, Mr. Speaker, when they look at it, the NDP are a pretty sorry lot — a pretty misguided group. They know how to spend. They've got that side of the equation down to a science, Mr. Speaker.

My colleague, the member from Lloydminster, has kept us in touch with some of the outrageous promises made by the NDP, and so has my colleague from Rosthern, Mr. Speaker. Between the two of them, they've kept track of over 13 billion — that's with a big B billion — over 13 billion worth of promises made by those people over there, Mr. Speaker.

And it's clear that they've figured out how to spend, but they don't know how to generate money. Mr. Speaker, it's one thing to give away wealth; it's another thing to create it. It's a whole different story; it's a whole new ball game, Mr. Speaker.

Mr. Speaker, I can say something on a personal level. Had this harmonization program been in effect in the last few years that I was in business, it would have saved my business about \$30,000. Mr. Speaker, when I was in business I paid thirteen and a half per cent manufacturers tax and I paid 5 per cent E&H tax. That's about 18 per cent, Mr. Speaker. And the last two years I was in business I spent over \$200,000 in capital investment.

Now, Mr. Speaker, you take 18 times 2 is around 36,000. So I just give you the benefit of the doubt that I would have saved in my business. And I was a small-business man, Mr. Speaker. And any business man that looks at this harmonization program will tell you it's the right thing to do. It's the right thing to do because it's right for the times, Mr. Speaker.

Unfortunately for the NDP there's no way on God's green earth that any government anywhere could ever spend enough on advertising to pay for the promises that they've made.

I have a letter on my desk, Mr. Speaker, from the local editor of the paper in my town. And he crunched out some figures and showed me, Mr. Speaker, that if the NDP become government and knock off 80 per cent of the advertising, it cost him one paper and 14 jobs — 14 people.

Now that's fine, Mr. Speaker. They like that, I guess. They'd like those 14 people to go on welfare. Then they would have control of their lives. Well, Mr. Speaker, we don't think like that. We want them to be out there. We want them making lots of money. We don't want them even on minimum wage. We want them making lots of money, Mr. Speaker. That's the way you create wealth.

The member from Riversdale figures that by cutting government advertising by 80 per cent he's going to make

up the shortfall needed, Mr. Speaker. How ridiculous can you get. Here he goes with his socialistic arithmetic. He took a run at me, Mr. Speaker, in Yorkton today. He said he could save up to a hundred million dollars just cutting out legislative secretaries' salaries. Mr. Speaker, how ridiculous. How ridiculous can you get, Mr. Speaker!

I think, Mr. Speaker, I've done a little survey on their promises and made a couple of budgets for them. I think my next project will be to find out how many hypocrites, how many types of hypocrites there are. Yes, you have your standard, everyday hypocrite. Then you have your standard, everyday, pious hypocrite, Mr. Speaker. Then you have your standard, everyday, pious, sanctimonious hypocrite, Mr. Speaker. And I have come to the conclusion you find all of them over there, Mr. Speaker. And it's a little job that I think I'll have to do.

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

**Mr. Britton:** — The member from Riversdale figures that by cutting government printing bills by 66 per cent, he's going to come up with the cash, Mr. Speaker. He says that by doing away with these so-called sources of waste and mismanagement he can find about another hundred million dollars — another hundred million dollars.

There's his arithmetic again. Poppycock, Mr. Speaker. That isn't possible. He never took and crunched the figures. Our total of advertising budget is around 37 million and he's going to save 79 million. Again he's got his socialistic typewriter or adding machine over there, Mr. Speaker, and it don't make sense.

**An Hon. Member:** — So where did the money go?

**Mr. Britton:** — That's right, where did the money go? Okay, there's the question. Well I could tell you where the money went. I could tell you in one project, Mr. Speaker, \$365 million went to protect people against high interest rates, high mortgage rates.

Waste and mismanagement. Now, Mr. Speaker, how many times, how many times are you going to spend that dollar? Every time they get up on their feet, Mr. Speaker, they're going to pay for it with waste and mismanagement. Mr. Speaker, I'll have some words to say a little later.

And I'll tell you, I have come up with a program that shows that they are going to save \$3 billion on waste and mismanagement. Our total spending budget is four and a half billion. That leaves 1.5 million to run the rest of the government. Health care takes \$1.3 billion. Mr. Speaker, it's ludicrous, totally ludicrous.

Mr. Speaker, let me run a few figures by you. They are going to give up \$180 million and they're going to spend 125 million. That's \$305 million. And he tells us he's going to get it from waste and mismanagement. And all he can figure out is \$79 million, Mr. Speaker. I wonder who does their arithmetic over there, or does anybody do it?

Mr. Speaker, I would like to share with you and the members of the Assembly some excerpts from a letter written to the Premier from the Saskatchewan Graphic

Arts Industries Association. These are the people that they're going to cut. The association wrote in response to comments made by the Leader of the Opposition on May 21, 1991, Mr. Speaker:

A 66 per cent cut in government printing would save another \$24.6 million this year.

That was the remark made by the Leader of the Opposition, the member from Riversdale. That irresponsible comment was deeply troubling to the industry for the following reason, and I would like to quote from their letter they sent to the Premier:

A 66% cut in government printing would cut current spending at around \$37,500,000. The entire printing budget for 1990-91 according to Saskatchewan Property Management Corporation, \$13.2 million.

Mr. Speaker, I ask you, who in the world would believe such total garbage? Mr. Speaker, I ask again, how many hypocrites do we have? How many . . . we have the sanctimonious; we have the pious, and we have your stand-up, ordinary, everyday hypocrite, and there's probably some more. And they've got them all over there, Mr. Speaker.

What a joke. What a joke. What typical NDP jokes. And, Mr. Speaker, that industry is not alone in its condemnation of the NDP's suggestions. But the whole conference is a joke, Mr. Speaker. An NDP strategist was reported . . .

**Mr. Deputy Speaker:** — Order. The member's time has elapsed. (1545)

**Mr. Mitchell:** — Mr. Speaker, I was very interested to hear that the hon. member from Wilkie is going to do a study. I was very interested in hearing, Mr. Speaker, that the hon. member from Wilkie was going to do a study as to what kinds of hypocrites there are in this world. I could think in this House of no one that is better qualified to undertake that kind of a study.

Particularly when I hear him start . . .

**The Deputy Speaker:** — Order. The member from Wilkie had his opportunity to speak. I'd ask him to let the member for Saskatoon Fairview speak.

**Mr. Mitchell:** — Particularly when I hear his explanation, Mr. Speaker, about the deficit of \$5.2 billion and how it was that over the course of nine years the government opposite managed to accumulate that kind of a deficit.

I have in my mail today a document that comes from Burns Fry, the economics department that focuses on Canada's debt burden and makes the point that that debt burden is sapping the economy. And in that analysis, on page 6, is a chart showing government debt, combined government debt per employed person. Now this is the combined debt of the residents of this province and other provinces in the country on account of the federal and the

provincial debt.

And this analysis shows that Saskatchewan's debt per employed person is the second highest in Canada and the provincial share of that is higher per employed person than in any other province in Canada.

Now the expert on hypocrites, when he next takes his speech, should pay some attention to that particular statistic and explain to this House and this province how it is that in the space of nine short years we have managed to attain the distinction of having the highest provincial debt per employed person of any jurisdiction in the country, including Newfoundland, including Prince Edward Island, including New Brunswick and all the other provinces. Now how can that be?

He expresses amazement, Mr. Speaker, that we would discuss the provincial sales tax. And I want to say for the benefit of that member and all of the members opposite that we intend to continue discussing that tax each and every day from now until election day.

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

**Mr. Mitchell:** — From now until election day. A lot of things about the government opposite has angered and enraged the people of this province. But none more so . . . but none more so than the imposition of the PST and the harmonization of the PST with the GST. That has fuelled the fires of opposition to this government more than any other issue that has come along in the last nine years, Mr. Speaker.

And not only do we intend to debate it today but we intend to debate it each and every day from now until election day. And I'd like our friends to understand that.

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

**Mr. Mitchell:** — In the few minutes that I have available, Mr. Speaker, I would like to pick up on a theme mentioned by my colleague from Saskatoon Centre concerning job losses or the job situation that will follow from the imposition of the PST.

Now it is the claim of the Minister of Finance in the budget that in some magical, unexplained way, in some magical way the imposition of a new tax of \$440 million on the people of this province is somehow going to magically create 5,000 new jobs. Now I know that the Minister of Finance is anxious to get into this debate, Mr. Speaker, but I'd like a few moments to try and put it to him on this issue.

We've gone over those numbers very carefully. It will be noted first of all that neither in the budget nor in any subsequent occasion has the minister given us the back-up, the analysis, the evidence, the rationale that proves that it is possible for that tax to result in the creation of 5,000 new jobs.

Now the minister is handing across his little publication that's supposed to prove anything at all. Mr. Speaker, we've been through that analysis and it adds absolutely nothing to the minister's meaningless speeches in this

House on that point.

Somehow when you take \$440 million out of the economy, Mr. Speaker, so that people no longer have that money to spend on goods and services, but must spend that money on a new tax, that is supposed to stimulate the economy, to create new jobs. Give us a break, Mr. Speaker. Give us a break. Anyone with a smattering of knowledge in economics knows that it just can't possibly work that way, and it won't.

Let me put it this way, Mr. Speaker. If you were a big input user, a big manufacturer, and you in your manufacturing process were using a lot of goods on which you had to pay tax, then some of those taxes could be passed on to the consumer. But the fact of the matter is, Mr. Speaker, that for the most part, the employers and the businesses in this economy are not big payers of that tax. They don't have a lot of input taxes to pass on to the consumer.

The restaurant owners are a case in point. They don't pay a lot of tax on the material that they bring into their place, that they can recover from their consumers. For them far more important is the fact that their customers have to pay an additional 7 per cent for every meal they buy. And that's killing their business, Mr. Speaker. That's killing their business. And it's absolutely no consolation for them to have the Minister of Finance stand up and say that tax is good for you, because they know it's not. They know it's not.

Similarly, if you're in the book selling business, Mr. Speaker, if you're in the book selling business, you don't have a lot of taxes that you can pass through. Of far more importance to you is the fact that your customers have to pay an additional 7 per cent for every book that they buy across the counter in addition to the 7 per cent GST that people have to pay on every book that is sold across the counter for a grand total of 14 per cent — a 14 per cent increase in the price of books.

Tell the bookkeepers how this tax is such a . . . or the booksellers how this tax is such a wonderful employment creator in their particular business, and they'll tell you that's a bunch of bunkum. They'll tell you that this new tax has put their businesses in grave jeopardy and indeed will result in many of them going down the tubes. Now that's no progress, Mr. Speaker. That does harm. That doesn't create jobs; that costs jobs.

And if you look through the other businesses . . . and the minister is anxious to talk about the other businesses. Let's talk about finance and insurance and real estate. Let's talk about the whole of the service industry: the hotels; let's talk about transportation, the transportation area; the construction area; communications, and utilities. All this bundle of industries that I've mentioned, Mr. Speaker, account for something like 73 per cent of employment in this province, approximately 329,000 jobs in those industries. For them the input tax credit is next to meaningless. For them of far greater importance is that their customers now have to shell out another 7 cents on every dollar when this tax is fully implemented.

For them that is no incentive or no stimulus to increase employment, and it won't be so. And the minister knows



it, and all the members opposite know it.

I have already conceded that some businesses that use a lot of material in their processes that they have to pay tax on will be able to pass that tax on. And you can make some arguments that that will put those businesses in a better position, Mr. Speaker. But there's absolutely no guarantee, there's absolutely no basis for believing, that those businesses will be able to create jobs in this economy as a result of that saving. It may result in some of them losing less money than they're losing now or making a little money rather than losing some.

But to put this tax forward as a great stimulus to the economy, as a great job creator, is the worst kind of hypocrisy, Mr. Speaker, and I want the member of Wilkie to remember that when he undertakes the study that he was talking about — the worst kind of hypocrisy. To imagine that sucking \$440,000 out of the economy is going to be any kind of stimulation or any . . .

**The Deputy Speaker:** — Order. The member's time has elapsed.

Amendment agreed to.

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. It's my pleasure to rise to speak to this matter. Mr. Speaker, one of the great fallacies of this Progressive Conservative government has been foisting on the people of Saskatchewan . . . that somehow this Bill 61 of theirs, that this sales tax is there to pay for GRIP and NISA, the farm programs. Well it's not true.

**The Deputy Speaker:** — Order. Seventy-five minutes has elapsed.

**Hon. Mr. Neudorf:** — Thank you, Mr. Deputy Speaker. By leave I would move now that we go directly to government business, precisely Bill 61.

**The Deputy Speaker:** — The member's asked for leave. Is leave granted?

**Mr. Lingenfelter:** — Mr. Speaker, I would like clarification. The Government Acting House Leader indicated he was going to government business. I would like clarification that we're going actually to Bill 61 and only Bill 61.

**Hon. Mr. Neudorf:** — Mr. Deputy Speaker, to repeat my words, I by leave would ask that we go directly to government House business, precisely Bill 61.

**The Deputy Speaker:** — Order. The member's asked for leave. Is leave granted?

Leave granted.

## GOVERNMENT ORDERS

## ADJOURNED DEBATES

## SECOND READINGS

### Bill No. 61

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

**Mr. Prebble:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's my pleasure to rise this afternoon and continue my remarks with respect to a very important piece of legislation, Bill 61, which is in effect the legislation that authorizes the collection of provincial sales tax on basic necessities of life — things like restaurant meals, home heating fuel, books, magazines, and clothing, Mr. Speaker.

And I want to say, Mr. Speaker, that we on this side of the House are strongly opposed to this new provincial sales tax. And we are also strongly opposed, Mr. Speaker, to the proposal of the government, effective January 1, 1992, to implement a major tax increase on all services in the province of Saskatchewan.

And we on this side of the House, Mr. Speaker, are committed to ensuring that after a provincial election, if an NDP government is elected, this unfair provincial GST will be repealed as one of the first legislative acts of a newly elected NDP government.

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

(1600)

**Mr. Prebble:** — Now, Mr. Speaker, I was saying yesterday that we believe it is very unfair that the government would choose to implement a tax on basic necessities like food, clothing, and shelter; and that we feel it's inappropriate that the government would choose to implement, in effect, a tax on knowledge and information through their new 7 per cent tax on all reading materials.

And we believe also, Mr. Speaker, that this tax is unfair because it takes no account of the ability of the individuals being taxed to pay. It is a regressive tax that is not based on people's income and their ability to pay, but is rather an across the board consumption tax that taxes a senior citizen with an income of \$8,000 in the same way as a millionaire is taxed if they're buying an identical item. And we believe, Mr. Speaker, that this kind of regressive taxation is not called for in this province and simply leads to an even more unfair tax system than the one we already have.

Mr. Speaker, we oppose this tax increase and this provincial GST because it represents a huge increase in the tax burden that individual consumers in this province are going to be faced with. A typical Saskatchewan family, Mr. Speaker, is going to face an additional tax burden of at least \$740 a year as a result of the provincial GST. In effect, Mr. Speaker, what we're seeing here is a doubling, more than a doubling, of the provincial sales tax.

And this, Mr. Speaker, from a government that has no mandate to govern any more. It, in effect, has lost its right to govern. We are more that four and a half years now into

its term. This is a government that is afraid of going to the people of Saskatchewan, afraid of going to the polls in a general election, Mr. Speaker, and governs without a moral mandate to govern and has the gall to introduce, four and a half years in to its term, such a massive tax increase — the largest tax increase in Saskatchewan history.

Now, Mr. Speaker, as I've indicated, this tax is going to hit middle income families particularly hard — at least \$740 a family. An average, middle income family are going to face an extra tax burden of \$740 as a result of this tax.

This is also a tax, Mr. Deputy Speaker, that is going to hurt low income persons, particularly single persons and married couples without children. The government has chosen to put into effect a tax credit for families with children that will in effect give them approximately \$200 a year to attempt to offset the impact of the provincial GST. But there is no tax credit in place for individuals and for married couples who are living below the poverty line. And as a result, Mr. Deputy Speaker, this kind of a broadly based consumption tax will simply take money out of their pockets in an unprecedented way. This represents a huge tax increase for these people.

And with respect to Bill 61, Mr. Deputy Speaker, that at this point deals primarily with a tax on goods — the extended tax on goods, a tax on the necessities of life — this tax is going to hit these low income single individuals and married couples particularly hard because in effect they spend most of their money on basic necessities. So a tax on home-heating fuel or a tax on clothing, an extra consumption tax on those kinds of items, particularly hurts those individuals living below the poverty line.

Now one of the questions the government has to account for, I believe, sir, is the question of why we see no tax credit for individual persons and married couples without children who are being hit hard by this tax. No protection for senior citizens living in their own home — their children are grown up. They get no tax credit and yet they face a huge increase in consumption taxes.

No tax credit for a minimum wage earner, Mr. Deputy Speaker, who's working full time at minimum wage and earning 8 or \$9,000 a year. They're going to be hit hard by this 7 per cent provincial GST on almost everything they buy. And yet there's no tax credit for them.

No tax credit, Mr. Deputy Speaker, for the single individual who lost their job, is perhaps 55 or 60 years of age; has difficulty obtaining an opportunity to retrain; has difficulty getting a new job; their unemployment insurance runs out; they're forced to go on social assistance — no tax credit for that kind of an individual.

All of these persons are going to be hit very hard by this new provincial GST. And that is one of the reasons why we are strongly opposed to this tax because as I mentioned, it is not based on ability to pay. And it comes, Mr. Deputy Speaker, after we have had a large number of major tax increases by this government since they were first elected in 1982. In fact, Mr. Deputy Speaker, as I pointed out yesterday in my remarks, the average tax increase that a typical Saskatchewan family has faced

between 1981 and 1990 comes to 71 per cent, during a period when the average wage in Saskatchewan has increased by only 29 per cent. So in effect we've seen a tax increase that is more than double the average wage increase in the province of Saskatchewan.

We have seen, Mr. Deputy Speaker, during the last nine years, huge increases in provincial income tax, including the imposition of the flat tax in Saskatchewan, which I might add is the equivalent of more than a 10-point increase in provincial income tax. We have seen the average Saskatchewan family paying \$817 more in utilities in 1990 than they were in 1981, and that includes increases in their electrical rates, their home-heating rates, and their car insurance far, far above the rate of inflation.

We have seen sharp increases in the gasoline tax and an increase in the sales tax from 5 to 7 per cent from a government that promised in 1982 to eliminate the provincial sales tax. We've seen the average family paying \$145 a year more in prescription drug costs, and most families, Mr. Deputy Speaker, have been hit hard by the massive increase in property taxes. The average home owner in any Saskatchewan city is paying more than \$500 more in property taxes today than they were nine years ago. In addition, those taxpayers, unless they're seniors, have lost the local property improvement grant.

All of these things, Mr. Deputy Speaker, have resulted in this 71 per cent increase in provincial taxes prior to the imposition of the provincial GST, and now we are faced with a provincial GST adding another \$740 a year in taxes to the average family — the largest tax increase in Saskatchewan history.

Now, Mr. Deputy Speaker, at the same time as these provincial tax increases have been occurring, we've also seen a major tax increase at the federal level.

And I just want to make brief reference to this because I think it is very pertinent. The average Saskatchewan family has not only faced a massive provincial tax increase but they have seen their federal taxes go up according to a study that was made public last night by an independent research group in Ontario.

The average family in Canada is paying \$1,500 a year more in taxes after seven years of Mulroney government than they were in 1984 — a huge federal tax burden in addition to the provincial tax burden that we're debating here this afternoon.

And those same families here in Saskatchewan and across the country have in addition faced tax increases from federal measures like the refusal to fully index family allowances, the refusal to fully index income tax brackets, and the steady erosion of tax credits at the federal level.

Mr. Deputy Speaker, I just point out these federal measures to put this tax in context. It is, I think, the last straw for a lot of families in this province. The provincial GST is just more than they can take in the face of all these major federal and provincial tax increases.

Mr. Deputy Speaker, I want to say a word about how this tax is going to affect one group of people in my constituency, a very large group of people in my constituency who are studying at the University of Saskatchewan. More than 30 per cent of my constituents are students, Mr. Deputy Speaker, and they are going to be hit very hard by this tax.

First they faced the implementation of the federal GST on many of the items that they buy. Now they're facing the implementation of the provincial GST. And one of the areas where it's hitting them the hardest is the purchase of textbooks. The average student in my riding, Mr. Deputy Speaker, as a result of the federal GST taking effect on January 1 of this year, and now the provincial GST taking effect on April 1, is paying an additional \$200 a year just in the cost of textbooks alone — \$100 extra because of the provincial GST and \$100 extra a year because of the federal GST.

And, Mr. Deputy Speaker, to put this in context again, these students are mostly single individuals or married couples usually without children, although not all, but if they have no children then they are not eligible for a tax credit of any sort.

So these university students are faced with this major increase in the cost of textbooks of \$200 a year with no tax credit to offset that impact. They're also faced with that tax increase, sir, and they receive no increase in student loans to account for the increased costs of purchasing their textbooks.

At the same time, because of the policies that the government opposite has pursued in the area of funding for university education, they face a massive increase in their tuition costs as well. Students in arts, for instance, on the university campus are going to face a 35 per cent increase in the cost of tuition in the fall. In some colleges, Mr. Speaker, that increase will be in excess of 40 per cent.

So not only do they face a massive increase in the cost of purchasing their textbooks, but also in their tuition costs. And, Mr. Speaker, they will face inevitably increases in their clothing purchases and in their food purchases as a result of this tax.

The result, sir, is that university students in my riding are going to be out of pocket many hundreds of dollars a year because of the new provincial GST. And they're saying that at a time when the revenues that are made available to them, the assistance that they get through student loans is not increasing; and at a time when jobs in the summer are getting more and more difficult to obtain and government funding for summer student employment creation has been sharply cut back; and at a time when they face a continued low-wage policy by this government where the minimum wage has been kept down year after year by this government, it is getting more and more difficult, Mr. Speaker, to save for a university education.

And this government has just made that process even more difficult with the implementation of the provincial GST and with the added cost that every university student will face when they go to buy textbooks this fall and find

that between the federal and provincial GST they're paying \$200 more on the purchase of their textbooks.

And that leads me, Mr. Speaker, to one of the elements of this tax that I think is the most regressive and the most unfortunate, and that is the government's decision to levy a tax on reading materials. This, Mr. Speaker, is one of the worst elements of the new provincial GST, the expanded sales tax in the province.

(1615)

It is really quite unbelievable that the government would stoop to the point of collecting a tax on newspapers and magazines and books and textbooks and other reading materials. This in effect, Mr. Speaker, is a barrier to the acquisition of knowledge and information in our society. That is plain and simple what it is.

We saw first of all the federal government erect a 7 per cent barrier on reading materials on January 1, and now the provincial government has followed that with a provincial tax on reading materials of 7 per cent as well. So we have an unprecedented 14 per cent tax on reading materials. And in effect, Mr. Speaker, what we have is a 14 per cent tax on learning.

Now traditionally we have avoided taxing books and magazines in Saskatchewan. And we've avoided doing that in other Canadian provinces as well, because we've recognized the educational, cultural, and social value of books and reading materials. The written word, Mr. Speaker, is absolutely central to learning. It is central to the development of independent thought and to participation in democratic decision making.

And to treat the written word as a taxable commodity is an outrage, Mr. Speaker. The written word must be universally accessible. And a tax on reading materials clearly makes the written word less accessible, particularly to those who are poor.

Mr. Speaker, I want to say that this tax on reading, this tax on knowledge and information is in effect an attack on our democratic values in Canadian society and in Saskatchewan society. And we've seen the government opposite launch many attacks on democracy in this term of the Legislative Assembly, Mr. Speaker. This is yet another round of their attack on democratic rights in this province.

I want to quote Glen Sorestad, the president of Thistledown Press in Saskatoon in my home city, who has said very eloquently, Mr. Speaker, and I quote: The right to read is essential to freedom in any democratic nation. A tax on reading is analogous to taxing the right to vote. That's why governments in the western world are reluctant to impose a tax on books.

Yes, sir, governments in the western world have been reluctant to impose a tax on goods. But not our government, Mr. Speaker. Not our government.

Mr. Speaker, not only is this an erosion of democratic principles in a free society, but this is also an erosion of opportunities for Canadian cultural development. Books

and other written materials are an essential part of our Canadian culture and its ongoing development. And cultural development in Saskatchewan is being dealt a serious blow because of the decision to levy the 7 per cent provincial tax.

And I'm very concerned about this issue, Mr. Speaker, and again I think it has to be put in context, because this is a government that has consistently attacked the development of culture in the province of Saskatchewan. And one only has to look at its latest set of decisions in just this year alone to see that.

Just a few months ago the PC government shut down the Department of Culture and Recreation. They laid off most of the people who were working in the area of cultural policy, Mr. Speaker. And then they announced that they would no longer provide direct tax dollar funding to the arts. They said that the arts were going to have to rely simply on moneys raised by lotteries, that there were going to be no more provincial tax dollars going to the arts and going to culture.

And it's in that context that the 7 per cent tax on reading needs to be viewed, Mr. Speaker. Clearly this is part of an attack on cultural development in Saskatchewan, and it needs to be seen as that and it needs to be rejected for what it is, Mr. Speaker. And we on this side of the House say loud and clear: no to the provincial GST and no to a tax on reading.

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

**Mr. Prebble:** — Now, Mr. Speaker, I want to point out some of the serious implications that this tax on reading is going to have for the ability of Saskatchewan people to make their own voice heard here in this province. Because bookstore owners and publishers and writers are telling me, and are telling my colleagues in the New Democratic Party, that this tax is going to place the future of the publishing industry in this province in jeopardy. And it's going to make life in this province more difficult for many of our local writers.

And I want to draw that to the attention of government members opposite and to the attention of the public. The Alliance Against Tax on Reading has pointed out that sales for books and magazines are very price sensitive and that a 7 per cent increase in the price of books as a result of this tax could easily reduce book sales by 10 to 20 per cent. Bookstores may be forced to close because of the tax, Mr. Speaker. That in effect is what this means. Some bookstores will be forced to close. Some publishers may be forced out of business, and this clearly means lost jobs in the province of Saskatchewan.

Writers from our province will be more often forced to publish outside of Saskatchewan and will have fewer income opportunities to enjoy in their home province. Clearly, Mr. Speaker, this tax is going to discourage writers, local writers from our province from staying in Saskatchewan and publishing in Saskatchewan.

And as a result of this, sir, this tax is destroying the ability of Saskatchewan people to make their own voice heard. This tax will mean that publishing houses will be more

reluctant to publish the work of new writers and to publish low sales volume topics.

Mr. Speaker, the point I'm trying to make here is that the publishing industry in this province is already fragile. With government support and assistance it's gradually been built up over the last 15 to 20 years. And it makes a very significant contribution to cultural life in this province. And that contribution is now being placed in jeopardy.

And with a 7 per cent tax on reading materials, when the break-even margins of the publishing houses become more and more difficult to achieve, they are going to cut back on publishing the works of new writers. They are going to rather go with proven writers, Mr. Speaker. They are going to tend to publish more frequently the popular topics and they will be less likely to publish a book that will have a low sales volume, Mr. Speaker.

And as a result of those kinds of cuts that this 7 per cent tax necessitates, the ability of new writers and new works to come onto the Saskatchewan market and to be heard in this province is significantly reduced. And I think that that is very, very unfortunate and one of the reasons why this tax on reading must be opposed.

I also want to say, sir, that I find it ironic that the government would introduce a tax on reading materials in the year following International Literacy Year in Canada and in Saskatchewan and around the world. It is very hard to square so-called commitment by the provincial and federal government to fighting illiteracy with a 14 per cent tax on books.

It is not just the ability to read, Mr. Speaker, that is being attacked with this 7 per cent tax, but it is also the need to encourage literacy in specialized areas. And I use the sciences as an example. We need to be encouraging members of our society to become knowledgeable on topics of scientific endeavour, so that the public can help navigate a socially responsible role for the sciences in the decades ahead.

Changes in science are moving very rapidly and many issues of science are also issues of public policy and government policy. And to have a well-directed government policy as it pertains to scientific affairs requires the public not only to be literate, but to be literate on specialized matters of science, Mr. Speaker. And a tax on reading makes that process much more difficult. And it's another of the reasons why I oppose and members in the New Democratic Party oppose this very regressive provincial sales tax expansion.

I want to say, Mr. Speaker, in summary, on this matter of a tax on reading, that what we have with this 7 per cent provincial GST is a tax on information, a tax on learning, a tax on literacy, and a tax on democracy. In effect, Mr. Speaker, we have a tax on the things that we claim to value most in Saskatchewan society. And I call on the provincial government today, the PC government opposite, to withdraw the provincial GST and to withdraw the tax on reading. It's still not too late to do that, Mr. Speaker, and the time to do that is now during the debate on Bill 61.

Now, Mr. Speaker, some of the members opposite have said to members on this side of the House, so where will the money come from to replace the revenues lost from an expanded provincial GST? If you're not going to implement the provincial GST they said, where will you get the money from? And I want to address that topic, Mr. Speaker, because it's a very important one.

I want to say at the outset though that we are of the view on this side of the Assembly, that this tax is such a disaster for the Saskatchewan economy and is driving the Saskatchewan economy so deeply into recession that the government will not collect nearly as much revenue from this tax as they're expecting to. Because we can see now with the increase in cross-border shopping, not just on the Saskatchewan-U.S. border, but also on the Saskatchewan-Alberta border more and more people are crossing the border to shop. And those are lost retail sales, lost jobs, and lost revenue to the Government of Saskatchewan, Mr. Speaker.

And you just need to walk into any restaurant in this province, and I have frequented several Saskatoon restaurants since this tax came into effect, and their business is down 25, 30 per cent. Restaurants that I used to walk into for lunch and couldn't get a seat and you'd have to wait for 5 or 10 minutes are now sitting half empty as a result of the new tax on restaurant meals. So I suggest to you, sir, that the government will not raise nearly as much revenue from this tax as they're expecting.

But that point notwithstanding, I want to address the question of revenue, alternative revenue sources, and why this in our judgement is an unnecessary tax measure in the province of Saskatchewan. Mr. Speaker, when we look at the provincial GST, the 7 per cent provincial GST, what we quickly see is that in effect what the government is now asking us to do is pay for their nine years of waste and mismanagement.

They are asking us now, sir, to pay for the privatizations that they implemented and the money they didn't collect from the friends they sold to — the hundreds of millions of dollars that are outstanding in money owed to the people of Saskatchewan from the public assets that have been sold. We are now, sir, being asked to pay for the fact that the PC government opposite for nine years forfeited hundreds of millions of dollars a year in loss resource revenues from the province of Saskatchewan because they dramatically cut back on all royalties and other royalties levied on resource companies in this province.

And now, sir, they are asking us to pay the 7 per cent provincial GST for all of these reasons — because of their waste, because of their mismanagement, because of their patronage, because of the unfair tax policies that they implemented, foregoing revenues from the corporate sector while they taxed individuals more and more heavily.

Now, sir, I want to bring to your attention that none of the 7 per cent provincial GST is going towards tackling Saskatchewan's deficit — the \$5.2 billion deficit that this government has run up over the last nine years.

The government has added to the deficit again this year, just like the federal PCs have added to the deficit again this year at the federal level by some \$30 billion despite the fact that they're collecting the federal GST. Has the federal GST cut the PC federal deficit? No, it has not. Will the provincial GST cut this government's deficit and its wild spending spree? No, it will not. The record shows, Mr. Speaker, that when this government takes in more revenue, it simply turns around and spends it. And that's exactly what it's planning to do with this new tax increase.

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

(1630)

**Mr. Prebble:** — Now let's look at the record with respect to waste and mismanagement by this government and the alternative revenue sources that reducing this waste and mismanagement offers, Mr. Speaker. Mr. Speaker, the members opposite ask, where will we get the money? Mr. Speaker, I want to give a number of examples.

I notice in last year's *Public Accounts*, sir, that the government is now spending some \$596,944 on . . . they're giving this almost \$600,000, sir, to a Toronto image consultant by the name of Corporate Strategy Group — \$600,000 spent on boosting the government's image, on providing consulting advice on how the Premier should dress, and on the rhetoric the PC cabinet ministers should use when they're trying to defend an unpopular government policy. Well there's \$600,000, Mr. Speaker, that an NDP government wouldn't be spending. The contract with Corporate Strategy Group will be gone if an NDP government is elected.

Mr. Speaker, I notice the government is spending \$301,956 last year on public opinion polling with Decima Research of Toronto. Well I think there's another area where significant savings can be made.

I notice, sir, that the government is spending more than \$500,000 a year on travel expenditures for PC cabinet ministers. That, Mr. Speaker, is up from \$294,000 the year before. Well, Mr. Speaker, if that amount of money on travel can't be cut in half, then I don't know what can be. There's another saving of \$250,000.

We've noted, Mr. Speaker, in examining the *Public Accounts* that the government is spending in excess of \$30 million a year on things like government advertising and government printing. And we believe that if the government printing budget was cut by two-thirds, some \$25 million a year could be saved. The government advertising budget is \$1.9 million a month, Mr. Speaker. And if we were to reduce that by 80 per cent, we could net a saving of seventeen and a half million dollars a year.

We believe that government travel, not just for cabinet ministers but by all public servants could be reduced by at least 30 per cent, saving \$15 million a year. And we believe, Mr. Speaker, that at least \$800,000 a year could be saved by reducing the size of the PC cabinet by four or five cabinet ministers.

These are some other practical examples of where the

money can come from to make it unnecessary to implement the provincial GST.

I notice, Mr. Speaker, that the government continues to spend and to waste significant amounts of taxpayers' money on unnecessary patronage appointments. For instance, the former member from Moosomin, Larry Birkbeck, has just received a 10-year appointment to the Saskatchewan Municipal Board at a cost of \$57,820 a year. And it would be interesting to know whether Mr. Birkbeck is the person most qualified for this position. I doubt he is, Mr. Speaker.

My colleagues have pointed out how the government continues to waste more than \$90,000 a year on the appointment of Mr. Bob Andrew, the former member of Kindersley and a former PC cabinet minister on his appointment as heading up the trade office in Minneapolis; and a similar amount of money to Mr. Graham Taylor on his appointment to head up the trade office in Hong Kong, Mr. Taylor again being a former cabinet minister and the former PC member for Indian Head-Wolseley.

Now, Mr. Speaker, just these three patronage appointments alone take \$250,000 a year of taxpayers' money in the province of Saskatchewan, and that is just the tip of the iceberg. I've got a list here with at least 25 or 30 major patronage appointments on them, Mr. Speaker, that in total, Mr. Speaker, total more than a million dollars — a million dollars a year of potential savings just through the elimination of the highest profile patronage appointments.

Well, Mr. Speaker, that's another example of where money can be saved. But I say to the government members opposite, far more important is the tax dollars that are being lost and that are being wasted, because instead of making Public Service Commission hiring appointments on the basis of merit, you have made Public Service Commission appointments on the basis of people's political allegiance to the PC Party. And that, I say, has been extremely expensive. And that, sir, has meant that people who are unqualified to fill government positions have been placed in those positions at great expense to the taxpayer because there's nothing like an unqualified and inefficient public servant to lead to an expensive and poor quality job being done.

The Minister of Social Services says talk about . . . (inaudible interjection) . . . I'm having trouble hearing his words. And he is somehow suggesting that the New Democratic Party ran the public service in a manner that didn't provide for appointments on the basis of merit, and I say to you, sir, that that is false.

The public service under the Blakeney government was based on merit appointments and merit hiring and you know it. You know it. And as a result, we had one of the finest public services in Canada. And you have turned it into a trough for PC appointees. That's what you've done. And you, sir, are one of the ministers who is most responsible for doing that, and it's been a disgrace. It's been a disgrace.

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

**Mr. Hopfner:** — Mr. Speaker, in regard to the members' comments here in the House this afternoon, again we find that these members are far from Bill 61, far from discussing what the intent of the Bill is all about, and I'd ask you once again to bring, as you had done previous on many other speakers, bring him back to the Bill, please.

**The Speaker:** — Is there anything in particular that you want to bring to my attention in this instance?

**Mr. Hopfner:** — Mr. Speaker, just his general remarks are totally off the topic. He has not related to Bill 61. He's been talking about the patronage aspects of the government and everything else. And I would tend to think, Mr. Speaker, that if you could have drawn your attention to what the member was actually saying, you would have been right off the Bill.

**The Speaker:** — I've listened to the hon. member's point of order. It's possible that in a debate of this nature that from time to time perhaps hon. members do wander from the topic. Perhaps in this instance the hon. member was. I'll listen closer to his remarks and make sure that he's on the topic.

**Mr. Prebble:** — Well thank you very much, Mr. Speaker. Mr. Speaker, I was simply trying to point out some areas where the government could in effect save money by reducing expenditures, running the public service in a more cost-efficient way and thereby avoiding the implementation of the provincial GST.

Mr. Speaker, I want to give just a couple more examples of the kind of waste and mismanagement that could be avoided, and by avoiding it, could make the implementation of this massive new tax burden unnecessary.

And I've now provided examples, Mr. Speaker, that are well in excess of a hundred million dollars, just in the area of waste and mismanagement alone.

But I couldn't let this area go without making reference to the more than \$5 million that was wasted in the GigaText fiasco — money that could have been available to Saskatchewan taxpayers to avoid the implementation of the provincial GST. And that, I want to point out, Mr. Speaker, included an expenditure of \$137,500 for a luxury condominium for a GigaText executive.

Well that's the kind of wasteful spending, sir, that has brought us to this 7 per cent new sales tax today, and that's the kind of wasteful spending that an NDP government will avoid, Mr. Speaker. And there's an old saying around, Mr. Speaker, that if you want to save significant amounts of money you start by saving pennies. A penny saved is a pound earned. And I want to remind members opposite of that.

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

**Mr. Prebble:** — It's these little expenditures when you add them up that add up to over a hundred million dollars, Mr. Speaker, that add up to the equivalent of the provincial GST and what it's going to take out of

taxpayers' pockets.

And we believe, sir, that this GST would have been unnecessary and will still be unnecessary if these wasteful expenditures are brought under control.

This government, sir, in 1982 inherited a provincial budget that was some \$2.3 billion of expenditure — \$2.3 billion of expenditure. And nine years later, when inflation has only been 48 per cent, they have managed to take total spending to four and a half billion dollars, Mr. Speaker, four and a half billion dollars.

In effect they have doubled the provincial budget in just nine years — a 95 per cent increase in provincial spending during a time when inflation has only been 48 per cent. And then they say that that's not enough and they have to come to taxpayers and ask them to fork out another \$740 a family. Well we say no way to their way, Mr. Speaker. No way to their way.

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

**Mr. Prebble:** — Well, Mr. Speaker, those examples of patronage and waste and mismanagement are just one set of examples of where the money could come from.

I want to give you another example of the unfair tax policies that the federal and provincial PC governments have pursued, Mr. Speaker, that if they were corrected would make this kind of a massive consumer tax increase unnecessary. And I want to talk for a moment about this policy of deferred taxes which has very significant implications for provincial income tax collection in this province and of course also for federal income tax collection.

And one of the tricks of respective Liberal and Conservative governments at the federal level and the provincial level has been this policy of allowing hundreds of millions of dollars of tax deferrals to their corporate friends every year.

And I want to just give a few examples of how this affects corporations operating in the province of Saskatchewan, Mr. Speaker, and I'll just give four or five examples. I want to start with a well-known Saskatchewan company, Saskoil. And I want to point out, Mr. Speaker, that in 1989, Saskoil's pre-tax income was \$8.114 million. Now you would think that with earnings in excess of \$8 million, that Saskoil would have paid some income tax to the provincial government. Well do you know what their effective tax rate was, Mr. Speaker? It was zero per cent, and their deferred taxes were equivalent to \$27.336 million.

Well there, Mr. Speaker, is a prime example of where money could be coming to offset the provincial GST. We say stop giving Saskoil a tax break. How about giving a bit of tax relief to the average taxpayer in the province of Saskatchewan?

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

(1645)

**Mr. Prebble:** — Well I want to take another example, Mr. Speaker, and that is North Canadian Oils. I just received their quarterly report. And I want to point out that their 1989 pre-tax earnings in the province of Saskatchewan were \$33.478 million. How much tax did North Canadian Oils pay under the PC government, Mr. Speaker? — a big zero. No taxes were paid. Do you know what total deferred taxes were? — \$59.733 million.

What kind of a small-business man, a restaurant owner or a small clothing store in the province of Saskatchewan can get a tax break like that? It's easy to see whose side this government is on, Mr. Speaker, and it isn't the small-business man in Saskatchewan. It's the owners of the large corporate sector in this province, and these people opposite are on their side and their side alone, Mr. Speaker.

Mr. Speaker, I want to take another example of a company, and that is Mark Resources — Mark Resources, Mr. Speaker. Mark Resources earned \$157,000, a much smaller amount in 1989. And do you know what their effective tax rate was, Mr. Speaker, on an earning of \$157,000? Well they paid \$5,000 in income tax, for an effective tax rate of 3.2 per cent, Mr. Speaker. Now there is no wage earner in this province, who could hope to pay only 3.2 per cent on earnings of \$157,000, but that's what Mark Resources was able to do.

I want to use another example, Mr. Speaker. And this example hits pretty close to home because it's WESTBRIDGE Computer company that of course the provincial government has a stake in. And WESTBRIDGE Computer in 1988, Mr. Speaker, had pre-tax profits of \$5.5 million. And in 1989 they had pre-tax profits of \$7.2 million. And how much income tax do you think they paid, sir? Not a penny. Not a single penny of tax paid to Saskatchewan, to the Saskatchewan government, to the people of Saskatchewan.

And here is another prime example, sir, of where if WESTBRIDGE and Mark Resources and North Canadian Oils and Saskoil and many others that I could name here — Hudson's Bay Company — if they were asked to pay their fair share of income tax in the province of Saskatchewan, we could go a long way to eliminating the kind of tax burden imposed here by the provincial GST on the average, individual taxpayer of Saskatchewan.

Well, Mr. Speaker, the Minister of Highways is saying, let's talk about the resource industry . . .

**The Speaker:** — Order, order. The hon. member is referring to the presence of a member. I ask him not to. I might say that it is not only the Minister of Highways who's making an intervention; some members on the opposite are also. So it isn't fair to single out one individual. I'd ask you to continue.

**Mr. Prebble:** — Thank you very much for your ruling, Mr. Speaker. I do want to comment though on this question of resource revenues in the province of Saskatchewan, and the policies of the government in this area and how they bear, I want to . . .

**The Speaker:** — Order, order, order. I'm going to ask the

member for Regina Victoria, the member for Saskatoon Nutana, and the member for Kelvington-Wadena to refrain from their separate debates and allow the member for Saskatoon University to continue. Thank you.

**Mr. Prebble:** — Thank you, Mr. Speaker. Mr. Speaker, I want to . . .

**An Hon. Member:** — Mr. Speaker, I'd like to correct, Saskatoon South. I was quiet.

**The Speaker:** — Order. The hon. member for Saskatoon Nutana has brought to my attention that it was actually the member for Saskatoon South who was causing the disturbance.

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

**The Speaker:** — Therefore I ask the member from Saskatoon South to allow his colleague, the member from Saskatoon University, to continue.

**Mr. Prebble:** — Well, Mr. Speaker, I'm glad there's still a role for a little bit of good old-fashioned humour in this debate.

But I want to get serious again now, sir, and turn to the question of the resource royalty policy of the government directly as it pertains to the provincial GST.

I've pointed out already that the provincial GST would have been unnecessary if the government had had a fairer policy with respect to the levying of income tax on its corporate friends. I pointed out how the provincial GST would be unnecessary if the government had only curbed its policy of wasteful spending and patronage in the province.

I now want to give a third example of how the provincial GST could be avoided, and that relates to the government's resource revenue policy in the province. This is a third way in which moneys could be collected other than burdening the individual taxpayer, Mr. Speaker.

And on this account I want to point out that since 1982 when the PC government opposite was elected, there has been a very major shift in the way in which the resource industry in the province of Saskatchewan has been taxed and in the way in which royalties have been levied.

And I want to turn, Mr. Speaker, to a citation from last April's edition of the *Sask Trends Monitor* for the province of Saskatchewan. This is an independent news-letter on economic issues in Saskatchewan. And the citation is from April, 1990, Mr. Speaker. And I think this much more effectively than the rhetoric of members opposite brings home the point that Saskatchewan taxpayers have lost hundreds of millions of dollars as a result of the changes in resource policies in the province.

Now the Minister for Economic Development and Diversification, and Energy and Mines, is a little uptight about this, Mr. Speaker, and he's making it evident as he continues to interrupt me in the Assembly. So I want to direct my remarks to him for a minute, sir, and say to him

that he and former ministers who have occupied the Energy and Mines position and a former minister from his constituency — namely the former member from Thunder Creek — you, sir, and the former member from Thunder Creek have sold out the people of Saskatchewan by some \$4 billion dollars on lost oil royalties alone over the last nine years.

What did the former member for Thunder Creek and the former minister of Energy and Mines, before he was convicted and had to give up his seat in the Assembly, what did that former minister do to the people of Saskatchewan? Well he changed the amount of money being collected from oil companies in this province from some \$700 million a year down to \$300 million a year, Mr. Speaker. That was \$400 million a year of lost revenue to the people of Saskatchewan. Mr. Speaker, put another . . .

**Hon. Mr. Swenson:** — I was wondering, Mr. Speaker, if the hon. member would take a question.

**The Speaker:** — Would the member take a question?

**Mr. Prebble:** — I'll take a question, Mr. Speaker.

**The Speaker:** — The member will accept the question.

**Hon. Mr. Swenson:** — Would the member care to tell the House how much money was derived from natural gas royalties in the province of Saskatchewan in 1981?

**Mr. Prebble:** — I don't have those figures with me. But I want to acknowledge, Mr. Speaker, that less money was derived from natural gas royalties than is currently being levied. Less money was being derived.

**Hon. Mr. Swenson:** — What about oil?

**Mr. Prebble:** — But with respect to oil, which was the point that I was addressing, there is an increase in natural gas royalties. Relative to oil, it's small, small potatoes, Mr. Speaker, but there has been an increase.

With respect to oil, as the minister will, I'm sure, be forced to acknowledge, there has been a massive decrease of some \$400 million a year on average, Mr. Speaker. And that cut of \$400 million a year, basically, Mr. Speaker, translates into a loss of \$400 a person in Saskatchewan or \$1,600 a family in Saskatchewan. That's the kind of revenue that you forfeited and now you're asking the average Saskatchewan family to turn around and pay another \$740 a year in provincial GST. And we reject that kind of a policy, sir, we reject it.

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

**The Speaker:** — Excuse me. Excuse me. The hon. member for Cut Knife-Lloydminster is on his feet.

**Mr. Hopfner:** — I'm sorry for interrupting, Mr. Speaker, but I'd like to introduce some guests on behalf of the . . .

**The Speaker:** — The member wishes to introduce guests. Is leave granted?



Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Hopfner:** — Mr. Speaker, it's a privilege on behalf of the hon. minister from Redberry to introduce some guests that he has from the Moosomin School in Cochin, Saskatchewan. I don't have much for information in front of me, Mr. Speaker, but I did note that the hon. minister's tied up in a meeting right now and that the students will be meeting with him at 5 o'clock and could possibly be entertaining some questions then.

But I'd ask all members of the Assembly to please welcome these students, 25 in number from Cochin, please.

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

**Mr. Prebble:** — Thank you very much, Mr. Speaker. Mr. Speaker, I want to join with the member for Cut Knife-Lloydminster in welcoming the students to the gallery this afternoon. It's a pleasure to have them with us and I hope they'll enjoy their visit to the Assembly.

## ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 61 (continued)

**Mr. Prebble:** — Now, Mr. Speaker, I want to return to quoting the *Sask Trends Monitor*, which is a citation that members opposite are obviously a little uptight about. And I want to quote from their April 1990 news-letter where they say, and I quote:

Much of the blame for the current economic situation in Saskatchewan has been laid at the feet of the agricultural sector. In fact, the decline in our resource industries has been just as dramatic and has had much more of an impact on the provincial treasury than has agriculture.

Partly because of the way production taxes and royalties are structured and partly because of the government's policy, the revenue to the provincial government has been falling throughout this period (beginning in 1981). In 1981 and 1982, one out of every three dollars of sales was flowing to the provincial treasury. By 1989, the proportion had dropped to about 12 per cent.

Mr. Speaker, what *Sask Trends Monitor* is saying is that one out of every three dollars from sales in resources used to go to the people of Saskatchewan — one out of every three dollars. And now, Mr. Speaker, what *Sask Trends Monitor* accurately identifies is that now less than 1 out of every \$9 goes to the people of Saskatchewan from their resources. A massive loss of resource revenue as a result of the policy that the members opposite have implemented in the PC Party.

Mr. Speaker, if you think about it, that loss, which represents as I've indicated, some \$400 million a year, would more than offset — if it was being collected — any

revenues that are generated by the provincial GST, thereby making this new 7 per cent tax unnecessary.

Now, Mr. Speaker, I want to point out to you one other citation from the *Sask Trends Monitor*. It points out that the reduction in oil royalties and taxes fell from 65 per cent of sales in 1981 to 15 per cent of sales in 1989.

Mr. Speaker, just think about that. A drop from 65 per cent of sales to 15 per cent of sales. And my question to the Minister of Energy and Mines is how can he possibly justify levying a tax of \$740 a year on the average Saskatchewan family through this expanded sales tax when he has forfeited such massive amounts of resource revenues and in effect, as *Sask Trends Monitor* points out, has allowed revenues from oil to drop from 65 per cent of sales to only 15 per cent.

**The Speaker:** — It being 5 o'clock, the House stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.