

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Romanow: — Thank you, Mr. Speaker. Mr. Speaker, I rise today pursuant to the rules and the procedures of the Legislative Assembly to present, as you see here in front of me, petitions signed by 40,000 Saskatchewan men and women who are opposed to the new, proposed 7 per cent provincial PST (provincial sales tax), bringing the total tabled to date to 120,000 names.

Some Hon. Members: Hear, hear!

Mr. Romanow: — These petitioners contained in this bundle which I'm going to table today, Mr. Speaker, come from every part of the province — from farms, from villages, towns and cities. And they're opposed to the government's latest tax increase because they say it is unfair, unnecessary, unsound and illegitimate.

The petitions read in part as follows:

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

And it also reads:

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

Some Hon. Members: Hear, hear!

Mr. Romanow: — Therefore, Mr. Speaker, it gives me some pride today to table these petitions signed by an additional 40,000 Saskatchewan people bringing the total number of petitions tabled, signatories, to this Legislative Assembly to date, to more than 120,000 people, the single largest petition ever tabled in the history of this Legislative Assembly.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, in tabling these petitions I urge the government to listen to the voice of the people and to stop this tax.

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Hon. Mr. Devine: — Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the legislature, His Excellency Pedro Alves Machado who is the Ambassador of Portugal, and with him Mr. Meguel Velozo, Consul of Portugal in

Vancouver. His Excellency is visiting Saskatchewan for the first time. While he is here, he will be talking to the departments of Economic Diversification and Trade, Agriculture and Food.

As you know Portugal joined the European Economic Community in 1986, and they are looking forward to a complete expansion in western Europe in terms of opening borders and free trade between the countries there. We look forward to speaking to him about agriculture and about trade and the kinds of changes he's going to see take place in Europe in 1992. I'd ask all members to please welcome His Excellency and the Consul of Portugal.

Hon. Members: Hear, hear!

Hon. Mr. Lane: — Thank you very much, Mr. Speaker. I have the pleasure this afternoon of introducing two groups of students to the Assembly. First of all from the Pilot Butte School, 21 grade 4 students. They are accompanied by teacher, Mrs. Dick.

And secondly, from the White City School, 33 grade 4 students, Mr. Speaker. They're accompanied by their teacher, Marjorie Gross, Mrs. Alford, and Mrs. Herman.

I know that all hon. members will join me in welcoming our young guests. We hope that they have an enjoyable visit to the legislature, an enjoyable tour, they enjoy the proceedings, and I look very much forward to meeting with them after question period for refreshments and photos, Mr. Speaker. Please join with me in welcoming our young guests.

Hon. Members: Hear, hear!

Mr. Brockelbank: — Mr. Speaker, I want to join other members in welcoming students to the Assembly today. And we have a group of students from E. D. Feehan High School in Saskatoon Westmount constituency. They come here from the most beautiful city in the province, the largest city in the province, to assemble here and understand hopefully what we do in this Assembly.

There are 58 grade 9 students from Feehan High School. They are situated in the Speaker's gallery, Mr. Speaker, and I see that they are accompanied today by teachers, John Skorski, Stan Yuzik, and chaperons by the name of Cheryl Mighton, Debbie Jacobs, Mrs. Knowles, and Ray Baron.

I know all members will want to join with me in welcoming these students from E. D. Feehan High School in the city of Saskatoon, in the constituency of Westmount. I welcome them.

Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, I want to join my colleague, the member from Saskatoon Westmount, in welcoming the students and teachers from E.D. Feehan High School.

I had the privilege, Mr. Speaker, in teaching at E.D. Feehan from '82 to '86. When the people of '86 retired

me from politics, I was accepted and received very warmly by the teachers and students of E.D. Feehan. And, Mr. Speaker, I want to also say that I will be there tomorrow night to join Stan Yuzik, who's a colleague of mine, and the other teachers who are retiring from the teaching profession. I'll be there tomorrow night to celebrate with you.

I also want to certainly welcome the students here. E.D. Feehan certainly is one of the best high schools in the city of Saskatoon, if not in the province of Saskatchewan. Welcome here today and I hope you have a good time. Thank you very much.

Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Thank you, Mr. Speaker. It's indeed a pleasure for me to welcome all of the students here today, but particularly the ones from E.D. Feehan. Many of these students, Mr. Speaker, live in my constituency and I have visited their school on different occasions. There's no doubt, as the member opposite has said, a very good school, quality programs. I understand that they may even have a position there for him again after the next election.

But, Mr. Speaker, I do want to join my colleagues in welcoming the students and teachers, chaperons, that are here from E.D. Feehan.

Hon. Members: Hear, hear!

Mr. Gleim: — Thank you, Mr. Speaker. Today it gives me great pleasure to introduce to you, and through you to the whole Assembly, four young girls from the town of Hazlet. They are Girl Guides and they are here today receiving some awards. And with them today . . . They're in the west gallery, Mr. Speaker. Their names today of the young girls are Mandy Olsgard, Christin Zinn, Renita Ellis, and Melissa Parker.

With them today as leaders is Mrs. Kathy Olsgard, Mrs. Heather Ellis. Chaperons is Randy Ellis, Gloria Parker, Nola Zinn, and Lyla Shepardson.

I would like all of you to help me welcome these people here to Regina today. I will be with them later at 2:30 to take pictures and to give them their awards. I would welcome them here to Regina and I wish everybody else help me along.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Opposition to the PST

Mr. Romanow: — Thank you very much, Mr. Speaker. Mr. Speaker, my question today is to the Premier. Mr. Speaker, as you know, just a few moments ago we tabled an additional 40,000 names by way of petitioners opposed to the provincial PST, bringing the grand total to over 120,000. And I think it's worth repeating again that this is the largest single petition as we know it, in research in any event, probably in the history of the Legislative Assembly.

Therefore, Mr. Speaker, my question to the Premier is as follows: Mr. Premier, will you listen to the people of the province of Saskatchewan? Will you pull this tax legislation and let the people judge this proposal in a provincial election campaign?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, as it relates to the harmonization of the sales tax base in Saskatchewan with the GST (goods and services tax), we have said on numerous occasions that we're doing it for two reasons.

Number one is it makes life simpler for both the consumer and the business person. You eliminate the confusion of what's in and what's out, two sets of tax collectors, two sets of auditors, all of those kinds of arguments, Mr. Speaker. And secondly, because it will make our businesses more competitive and that ultimately means more jobs, Mr. Speaker.

Now having said all of that . . . and we left the rate at 7 per cent to come up with the \$125 million for the farm programs, which is so important to our entire economy. But having said that, Mr. Speaker, we know that any time you're raising taxes, it's not popular. And it's true that if you ask the average person across Saskatchewan would they want to pay more taxes, most often they will say no.

But they also have told, as I would suggest, those members there, Mr. Speaker, that the government must deal with the debt and deficit and as well work to stabilize our rural economy and indeed our entire economy. These tax changes are part of our plan, Mr. Speaker. We do have a plan, as difficult as the choices are, to stabilize the economy and balance the books and we're sticking with it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question and I am going to direct it again, Mr. Speaker, to the Premier because I think it's correct to observe that the Minister of Finance, who has essentially got this government in such a pickle over this tax, is obviously going to be committed to this tax. But it's going to take a Premier decision to overrule them.

And, Mr. Premier, as we see from the news today the people of the province of Saskatchewan obviously don't support your economic policies or the tax. And as we see from the news today, sir, you have no mandate, you have no mandate to introduce such a massive tax increase in the dying days of this your administration.

Mr. Premier, my question to you is this: why won't you listen to the concerns of the 120,000 people who have signed the petitions, the thousands more who will sign in the days ahead, to the opinion polls and to others, and to give the voters the opportunity to pass judgement first on your record in the next provincial election?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, this is not merely an

initiative . . . the harmonization is not just something that we recognize as making sense. Some several months ago, as the hon. members will know, an expert advisory committee was put together, made up of people from organizations like the Canadian Federation of Independent Business, the Society of Management Accountants, the Consumers Association of Canada, Ipsco, Mr. Speaker, home builders, the Wheat Pool, the wheat growers, chamber of commerce, Mr. Speaker, Institute of Chartered Accountants — and I could go on and on. Organizations that have in total some 3 to 400,000 members.

Mr. Speaker, these independent-minded people recommended that we harmonize with the sales tax base of the federal government. They said if it's going to be a reality, which it is, it makes no sense to have two different taxes, two sets of tax collectors. And besides, Mr. Speaker, they recognized the merits of having our businesses be more competitive. We're on a level playing-field, our businesses, for the first time with Alberta, an advantage to Manitoba. Mr. Speaker, we recognize these are tough choices but unlike the opposition, who read the polls and said no we're . . .

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question. For the third time I'm going to direct it to the Premier of the province of Saskatchewan.

Mr. Speaker, given the last two answers and given what we've seen the last couple of weeks, the people of this province are beginning to wonder — in fact they're asking out loud — what in the world does it take to convince this Premier and this government that they've made a mistake?

A hundred and twenty thousand names on a petition ignored. Pleas from business coalitions, from Saskatoon and elsewhere, ignored. The opposition's questions ignored. The headlines as we know in the news today right across all of Saskatchewan, what the public wants in Canada, ignored.

Mr. Speaker, my question to the Premier is this: why in the world are you taking what can only be described as an arrogant view of your position that you are right, and every one else is wrong in Saskatchewan? And if it's not ignorance, is this a matter of you simply deciding that your government is going to go down to defeat, and by golly, you're going to embark on a scorched earth policy, making it virtually impossible for the succeeding government to turn things around in the province?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, it's really interesting, Mr. Speaker, that the Leader of the Opposition would say it would make it extremely difficult for a new administration, Mr. Speaker.

We had a debate the other night in Regina with the chamber of commerce sponsors, Mr. Speaker. And the Leader of the Opposition had to admit, Mr. Speaker, that it might take a 23 per cent increase in income tax if the

NDP (New Democratic Party) was ever elected, Mr. Speaker. And if it wasn't a 23 per cent increase in income tax, Mr. Speaker, he said, Mr. Speaker . . . do you know what he said? He would tax weekly newspapers and the radio stations, Mr. Speaker. They don't like to hear the straight goods — the straight goods, Mr. Speaker. Even those that did his research, his so-called research, Mr. Speaker, say the NDP is being intellectually dishonest with the Saskatchewan public. That's what Dale Botting says, Mr. Speaker.

And he goes on to say that it's somewhat disgusting the way they've treated this because he won't come clean with the public and say he'd have succession duties or death taxes or succession duties plus income tax at a 23 per cent increase just to balance the books.

Mr. Speaker, this administration has laid out a strategy to balance the budget, pay for GRIP (gross revenue insurance plan) and NISA (net income stabilization account), make sure we diversify the economy.

And we just saw what happened in Ontario, Mr. Speaker, when the NDP didn't have a plan and whoops! the NDP got elected in Ontario and we saw a \$10 billion deficit which is 36 times the size of ours, Mr. Speaker. And they still don't have a plan except pro-labour, kick out business. Well, Mr. Speaker, the people of Saskatchewan know the difference. They saw what happened in Ontario.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Well, Mr. Speaker, I have a new question to the Premier and I guess the good news of that answer was that the Premier finally had the courage to get up and answer.

Some Hon. Members: Hear, hear!

Mr. Romanow: — The pathetic side of that answer is it's the same old tired-out old cliché for the last nine years that has brought this Premier and this government to the lowest level of support in the history of the province of Saskatchewan of any political party.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Premier, my question to you is this. Tomorrow the Supreme Court of Canada, we are advised, will be making a decision on the boundaries situation in the province of Saskatchewan. Whichever way the court decides, this matter can be solved within the next week or two weeks at the outside after tomorrow's decision. We'll have boundaries in place.

Mr. Premier, my question to you is this. In the light of this situation, will you give your commitment today to this legislature and to the people of the province of Saskatchewan that you'll pull this tax legislation for that two-week period; thereafter call an election and allow the voters and the taxpayers to decide on this policy? Give us that commitment.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the hon. member must be reflecting some of the editorials that are being written about him recently that's saying he's anxious because he thinks it might slip away from him, Mr. Speaker. He's afraid that the tax might pass and we'll harmonize. And, Mr. Speaker, if he's so confident, I don't know why it would worry him at all. I mean, if he's so worried, well he can repeal it, Mr. Speaker.

He's more interested in politics than he is doing the right thing, Mr. Speaker. He knows harmonization is supported by the Wheat Pool; harmonization is supported by co-operatives; harmonization is supported by independent business; harmonization will be the single largest tax break for farmers and business and co-operatives in the history of Saskatchewan.

And he knows, Mr. Speaker, that if this passes and people realize that it is a tax break, and for the first time our businesses can compete with Alberta and Americans, then, Mr. Speaker, as the editorials point out — whoops, he may start to see it slipping.

First of all, Mr. Speaker, he knows anything that he saw today with respect to polls is not relevant in rural Saskatchewan. And he also knows, Mr. Speaker, a 23 per cent increase in income tax is just something the NDP might do, Mr. Speaker, because we saw what happened in Ontario. We're not going to let that happen, Mr. Speaker. This is the right thing to do. The people of Saskatchewan know that, Mr. Speaker. That's why we've harmonized in the first place, and recommended by the people from the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Cost/Benefit Analysis of Decentralization

Mr. Hagel: — Thank you very much, Mr. Speaker. I'm pleased to see the Premier stand, and I ask that he will also stand in defence of his government's actions on decentralization.

Mr. Premier, earlier today we heard decentralization announcement number four. Four announcements, Mr. Premier, but not a single one cost/benefit analysis — none. Big on words, but small on analysis.

Now I ask you, Mr. Premier, will you show at least a little respect for the intelligence of Saskatchewan people. Why not release your studies and your cost/benefit analysis so that people of Saskatchewan can judge decentralization Tory-style on the facts? What are you afraid of, Mr. Premier? What are you afraid of?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Isn't it interesting, Mr. Speaker, that the member for Moose Jaw North didn't ask those questions when the Water Corporation went to Moose Jaw. Isn't that interesting, Mr. Speaker. Would he now say to the media, friends and other people that the Water Corporation should leave Moose Jaw? Well, Mr. Speaker, he didn't say that.

With respect to a new fertilizer operation just outside of

Moose Jaw, Mr. Speaker, it's condemned by the NDP all over, but in Moose Jaw, Mr. Speaker, they're very, very quiet if they're NDP. They like to see diversification as long as we do it; they like to see decentralization as long as they can pick on it.

Mr. Speaker, that's the reason that the NDP have not been successful in Saskatchewan in the last two elections, because they're not straight with the people, Mr. Speaker. They're not fair in Moose Jaw, they're not fair in Prince Albert or The Battlefords or other places. They like to see the upgraders but out of town they condemn them.

Mr. Speaker, Fair Share, that is sharing jobs to the people of Saskatchewan all over this province is the right thing to do in Humboldt; it's the right thing to do in Gull Lake; it's the right thing to do in Wynyard, Mr. Speaker, and it's the right thing to do for Melville and Moose Jaw. The hon. member knows it. And do you know what, Mr. Speaker? The NDP out in those ridings say, we'd do the same thing, Mr. Speaker.

Isn't it interesting that they stand in place in Regina and say one thing, and when they're out in the country they say the exact opposite, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Premier, I ask you when you are going to get straight with the people and when are you going to get off the rhetoric and get onto the facts here in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Hagel: — It's apparent today to people all across Saskatchewan, Mr. Premier, that you no longer enjoy the confidence of the people of this province. And for years, Mr. Premier, you've put PC (Progressive Conservative) politics ahead of your responsibility as government for the people of Saskatchewan.

And what we see today now, Mr. Speaker, is yet more of this panic PC politics. And I ask you: when are you going to show that you have the responsibility to govern? When are you going to even try to show the people of the province that decentralization is anything more than a cheap PC political ploy? When are you going to try and show that, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the hon. member, as his colleagues . . . as his colleague from Regina North West . . . or Regina North East, I'm sorry . . . in other days in here talks about politics as it relates to Fair Share Saskatchewan.

I was this morning in the community of Gull Lake. The people that came to a meeting in Gull Lake to hear about Fair Share Saskatchewan understood very clearly the stabilization that's needed in their community and in communities like theirs all across Saskatchewan. Mr. Speaker, the cross-section of citizens of Gull Lake that were at that meeting, the cross-section of citizens from all ages, from whatever walk of life, were not, were not, and I

make it very clear, were not representative of the Conservative Party of Saskatchewan.

The cross-section of citizens of that community have a deeply held feeling for their community and for the needs of their community and rural Saskatchewan's instability as it now sits. And they have a deep-seated need and a feeling for the need to stabilize their community in rural Saskatchewan. And, Mr. Speaker, Fair Share Saskatchewan speaks directly to that need that they understand so well.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, it seems to me, when I listen to the Premier and the Deputy Premier, there is a deep aversion to the facts in this Assembly from that side of the government.

Let's talk about the facts, Mr. Premier. This question to the Premier, Mr. Speaker: Mr. Premier, with today's announcements you have now promised to move 372 jobs to various locations across Saskatchewan. Even using your own figures, even using your figures, Mr. Premier, you're already three and a half million dollars over your own budget for decentralization.

And I ask you, Mr. Premier, what gives you the right to impose yet another Tory hoax on the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the NDP had often talked about decentralization, and there's many quotes that I could give. But I thought one of them, because the hon. member from Moose Jaw North talks about politics . . . This is a quote from Allan Blakeney in the *Western Report* in July 1, 1986. And Allan Blakeney used to lead that party . . .

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

Hon. Mr. Devine: — Thank you, Mr. Speaker. I was just going to quote the former NDP leader, Allan Blakeney, because he was having a little bit of trouble with the decentralization. And this was *Western Report*, July 1, 1986, and he says, and I quote, Mr. Speaker. This is for the member from Moose Jaw North because he likes to think that it's partisan. He said:

The bald truth is that many New Democrats are somewhat uncomfortable with serious decentralization for fear that local people would not make the appropriate left-wing decision.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, when we move, Mr. Speaker, to Humboldt, the local MLA (Member of the Legislative Assembly) from Humboldt says, the opposition wouldn't reverse the move. The NDP go out into the country, Mr. Speaker, when we decentralize, and they say it's okay in Humboldt and it's okay in Gull Lake, and then they come back in here and they say, oh no, we'd never do that.

Mr. Speaker, the fact is they didn't have the courage to protect rural Saskatchewan or come up with a safety net or do the kinds of things with harmonization. Well, Mr. Speaker, they can't have it both ways. If you're going to diversify and protect rural communities, you've got to take the Water Corporation to Moose Jaw, you have to build fertilizer plants. We do that because it's the right thing, Mr. Speaker. We don't say one thing in the country and another thing in the city.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, thank you. I have a question for the Premier as well. Mr. Premier, we all know from the Manitoba experience that decentralization was a nice pre-election promise. But after the election, decentralization simply cost too much to implement. And we should remember, Mr. Premier, that Manitoba is in a better financial position than Saskatchewan.

After nine years of your mismanagement, Saskatchewan has the highest per capita debt of all provinces in Canada.

My question, Mr. Speaker, to the Premier is this: if Manitoba could not afford to carry forward with their decentralization program, how can Saskatchewan possibly afford it?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I think the Leader of the Opposition and his NDP colleagues would appreciate what I'm going to say with respect to the Manitoba and the Saskatchewan situation. The former president of the University of Saskatchewan, Dr. Leo Kristjansen, is a strong supporter of agriculture. And as far as I know he might have been maybe even a CCFer (Co-operative Commonwealth Federation), Mr. Speaker. He supported agriculture. He supported the rural. He's retired back home in Manitoba. And, Mr. Speaker, when he was asked about decentralizing jobs from the capital to rural Saskatchewan, he says it's the right thing to do.

Mr. Speaker, he said it should be sensitive to the rural people, Mr. Speaker, and he was quoted on CBC (Canadian Broadcasting Corporation) — and I'll certainly give this to *Hansard*, Mr. Speaker — and he says:

. . . (it is) a potentially positive move. The basic advantage I see is that rural communities and farming in particular, is becoming more and more isolated from the decision-making process.

He said — and you can read this and I'll be glad to table it. We should decentralize government outside of the capitals to the people whether . . . (inaudible) . . . and really in Saskatchewan because we suffered agriculturally, more than Manitoba, more than Alberta, more than any other jurisdiction here.

And I think the Leader of the Opposition would know that if Dr. Leo Kristjansen would say that we should decentralize and be fair when 81 per cent of the taxpayers in this province are outside of Regina, 19 per cent are here, we could at least make it a little closer to 50-50 with

respect to job sharing. And an academic, an agriculturalist, somebody with a social conscience like Leo Kristjansen said that's the right thing to do, Mr. Speaker, we're on the right track.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, a new question to the Premier. You haven't answered the question, Mr. Premier, but I'll give you another one. Perhaps you can take your choice of which one you want to answer.

You have stated, Mr. Premier, that it is your government's plan to terminate 500 public civil servants next year. My question is this: how many of these jobs that you are claiming to be currently moving to rural Saskatchewan will be cut next year, should you form the government? And how many families are you going to force to uproot and move to new communities, only to be told a few months down the road that there is no longer a job available for them?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — It's interesting . . . We have seen the cities of Saskatchewan grow. It's interesting, Mr. Speaker. We have seen cities in Saskatchewan, like Regina and Saskatoon, continue to grow. And we have had Crop Insurance, Mr. Speaker, go to Melville. We have had Water Corporation go to Moose Jaw. We've had ACS (Agricultural Credit Corporation of Saskatchewan) go to Swift Current, and other agencies and branch go to Kindersley and Kamsack, Mr. Speaker.

And the city of Regina has a new upgrader, its expansion in Federal Pioneer. Saskoil, since it's privatized, has a brand-new building and will continue to grow. IBM and WESTBRIDGE are doing deals regarding expansions in the university, Mr. Speaker.

Let me point out, Mr. Speaker, if you really want to look at some serious problems, Mr. Speaker . . . I want to show this to the audience and to the public here today and I'll send one across to the opposition. The Hudson's Bay Company of Canada is considering relocating to the United States because the NDP is generating real fear in the business community, Mr. Speaker.

Now that's what you call a real problem, Mr. Speaker. They're leaving Ontario in droves as a result of the NDP. And we are having Fair Share to communities, Mr. Speaker. The NDP don't have a government onside and they don't have the business community onside, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, my question to the Premier is this. With the Supreme Court coming down tomorrow, Mr. Premier, with an announcement on the boundaries, and with conceivably no impediments to an early election, could you hold off your phoney announcements about this so-called decentralization?

Will you give the people of Saskatchewan your assurances, Mr. Premier, that due to the chance of an

immediate election, you will stop this senseless and cruel practice of leading on the residents of rural Saskatchewan with your empty job promises, and driving civil servants into despair with doubts about their future. Will you give those assurances today, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — As I said in the debate, Mr. Speaker, as I said in the debate, when the NDP give me their position on Fair Share and decentralization clearly, when they give us an agriculture position clearly, when they tell us clearly how they'll balance the budget, when they'll tell us clearly how they'll diversify our economy, Mr. Speaker, when they say those things, Mr. Speaker, then the people will know what their choices are all about. They continually hide in the weeds, Mr. Speaker; they're going to continue to hide. How will the public know what their position is, Mr. Speaker? We've laid it out. Why don't they come clean and tell us what it is. They've hid. They're hiding. They're afraid that they might slip in the polls, Mr. Speaker. Why don't they stick their neck up a little bit and really tell the public how they really feel about Saskatchewan people.

Some Hon. Members: Hear, hear!

Land Title to Silver Lake Farm

Mr. Thompson: — Thank you very much, Mr. Speaker, and I direct my question to the Minister of Agriculture. Mr. Minister, as recently as two weeks ago there had been no transfer of the title of the land at the Silver Lake farm near Green Lake. It remained Crown property, pending the outcome of a court challenge to a caveat by the Metis people of the area. Nor apparently was the Crown leasing or renting the land to anyone. Mr. Minister, can you tell this House when that situation changed?

Some Hon. Members: Hear, hear!

Hon. Mr. Martens: — Mr. Speaker, the situation at Silver Lake is a very complex one and it has . . .

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

Hon. Mr. Martens: — Mr. Speaker, the situation there is complex. I want to point out that the Appeal Court moved that the matter be taken back to the Queen's Bench court to decide. The Department of Justice is providing us with legal information regarding the role of the lake there . . . or the town there, and also the people involved in the former lease and we are dealing with the . . .

The Speaker: — Order, order. Order. The associate minister is having some trouble because we have at least six to ten members who want to answer the question — a set of them. Perhaps it was directed to the wrong individual but he's the Associate Minister of Agriculture and let him answer the question.

Hon. Mr. Martens: — Mr. Speaker, the matter is being discussed with the Department of Justice to provide a reasonable response to both the individuals who have leased it for the last few years and to the village. And we'll be dealing with the real, fundamental issue of whether in

fact the opportunity can be given to the court to decide on who the lessee should be.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order, order.

ORDERS OF THE DAY

Hon. Mr. Hodgins: — Mr. Speaker, with leave I ask that we go directly to Bill No. 61.

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. Rolfes: — Mr. Speaker, before I get into the context of the Bill that is before us, I think we had today in question period a prime example as to why we are debating Bill 61 before us today.

The prime example, Mr. Speaker, that I speak about was the Premier's performance today in the House. It clearly indicated that the Premier does not have a handle on the serious situation that exists in this province today. Neither did any of his former . . . the Finance minister, when I referred to the member from Kindersley, the member now from Qu'Appelle-Lumsden, and the present member from Weyburn.

Mr. Minister, in order to make absolutely certain that you have a handle on the finances of this province you've got to make sure that you understand the situation, and, Mr. Speaker, the consequences of policies that you put into effect. Mr. Speaker, in order to intelligently discuss the Bill that is before the House today, and why it is here, one needs to go back a few years in the history of this province to 1982, and what happened at that time when the members opposite formed the government in this province.

In 1982, this province was considered as one of the best fiscally managed provinces in all of Canada. And that I don't think very many people will dispute. Our financial situation, our debt load compared to our assets, Mr. Speaker, was the lowest in Canada. In fact, Mr. Speaker, in our current account, we had no deficit.

And that, Mr. Speaker, didn't happen by accident. That didn't take place because people were in government at the time who didn't know where they wanted to take the province and who didn't understand the finances of this province. We had, Mr. Speaker, I think one of the best premiers and the best statesmen and the best

administrators that this country as ever seen in Allan Blakeney.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — I think very few people, very few people would argue with that statement — very few people.

We then came into 1982. And let me, Mr. Speaker, just tell the present Minister of Finance, unless his memory fails him, that in 1982, they inherited a surplus of \$139 million. And, Mr. Speaker, from 1905 to 1982, the province had incurred a long-term debt in the Crowns of about \$3 billion. That was the situation. A net debt, in the long-term, net debt of \$3 billion. That's what the people opposite inherited.

We had low unemployment. We had the highest investment in outside investment on a per capita basis in almost anywhere in Canada. The province had a very promising future.

Along came an individual who's now the Premier, who coined the expression: there's so much more that we could be, indicating, Mr. Speaker, there's so much more that he could do for this province.

And, Mr. Speaker, the legacy that he is going to leave for this province, the legacy that he is going to leave for our children and their children is the largest per capita debt anywhere in Canada — anywhere in Canada, Mr. Speaker. Instead of having a debt today of about 3,000 per man, woman, and child, we have a debt of over \$13,000 per man, woman and child; \$10,000 increase in nine years and it took this province 75 years to accumulate a debt of 3,000 per man, woman, and child. That, Mr. Speaker, is the legacy that this present Minister of Finance and his colleagues will leave to this province after the next election.

And, Mr. Speaker, we are not certain that \$13 billion is the accumulated debt. I think once we examine the books and we open up the books, we will find that there are long-term commitments, long-term commitments, Mr. Speaker, that will cost this province billions of dollars — billions of dollars that we will not be able to reverse. Those, Mr. Speaker, will only come to the fore when the books of this province are opened.

(1445)

And, Mr. Speaker, I am not surprised at this, because I can full remember in 1986 before the election the then minister of Finance, the current member from Qu'Appelle-Lumsden, indicated that there would be a deficit of \$389 million. Immediately after the election, we found out that he had made a mistake of \$800 million and we had a debt of \$1.2 billion.

Mr. Speaker, was this because of incompetence? Some people say it was incompetence. Others say it was lack of experience. Others say they were simply not truthful before the election. Still others say it's a combination of all of those things.

I think, Mr. Speaker, it is incompetence. I do believe that it

was that they were simply dishonest. And I think members opposite will tell you that yes, they knew that the deficit would be considerably higher in 1986 than what they had predicted.

Is it any wonder, Mr. Speaker, that the poll that was in the papers this morning, the Angus Reid poll, clearly indicates that the members opposite are not trusted by the people of Saskatchewan. They do not believe that what they are saying is what they will do. Is it any wonder that the Premier's confidence is down to 16 per cent in the province? I don't think it's any wonder. You could only prevaricate with the people so many times and they will no longer believe you after that.

Mr. Speaker, why is it that in every year, every year that the Conservatives have been in power they've had a deficit, and almost every year since 1982 they have increased taxes, they have increased the taxes? Why is it? And why is it then that this minister today has a Bill before the legislature which is saying to the people of Saskatchewan, even though you are the highest taxed, the highest taxed in this country, we want another \$460 million from you people in order to run the government.

And, Mr. Speaker, and not to balance the budget — still to have a deficit and increase that deficit. That, Mr. Speaker, is totally irresponsible. That is totally irresponsible.

Mr. Speaker, as I have indicated, in the nine years that those people have been in power, what have they done? Why is it that we've got this deficit? I think we've got to ask those questions.

Well of course some of it is because of their policies — wrong-headed policies, there's no doubt about that. Some of it is because of their waste and mismanagement, waste as far as GigaText is concerned. You know, there are numerous others that we could refer to.

Waste, I suppose, in the areas of policies in agriculture. Let me say for example, whereby . . . the production loan program is a good example. Everybody, Mr. Speaker, in 1986 would have agreed that \$300 million would have solved the problem, would have solved the problem in agriculture in 1986. What did this government do? This government implemented the production loan program that spent \$1.2 billion and made people who earn a hundred thousand dollars, outside of their farming, eligible for production loan programs.

And of course I'm referring to members opposite, cabinet ministers who were farmers also, who were eligible for the production loan program at 6 per cent when they were earning 80 to \$100,000 in their position as cabinet ministers and in their position as Premier.

Mr. Speaker, those are the kinds of irresponsible policies, irresponsible policies that have put this province into debt to the tune of \$5.2 billion in the current account. Why, Mr. Speaker, why should the taxpayer out there who is maybe earning 15 or \$20,000 or \$30,000, why should he or she have to subsidize the Premier of this province because he is eligible for a production loan program? Why should they, Mr. Speaker, have to subsidize a cabinet minister who makes between 80 and

\$90,000 a year? Why should they have to subsidize those people because the policies put in by this government makes them eligible for loans which are subsidized?

Mr. Speaker, those kinds of policies, and I'm only giving a few examples, are policies which have put this province into debt so that we now have the largest per capita debt in all of Canada.

Mr. Speaker, there are many others. There are many others that I could use — patronage for example. Why do they think that it is fair to pay Chuck Childers of the Potash Corporation of Saskatchewan, \$740,000 a year? Why? It doesn't make sense. And yet, Mr. Speaker, in 1982 I can remember them criticizing the then chairman of the Potash Corporation of Saskatchewan who earned about 140,000 — criticizing that he was making too much.

An Hon. Member: — And he was from Saskatchewan.

Mr. Rolfes: — That's correct, he was from Saskatchewan and the present chairman of the board is from the United States. He doesn't even pay taxes here because the contract that is written in such a way is that he will benefit from the taxation that is done in the United States. Mr. Speaker, that's the kind of policy that people are referring to.

I'll give you another one, Mr. Speaker. Why is it that they feel that by order in council, when a contract was signed with the chairman of the Liquor Board Commission for \$60,000 was to be his salary, why by order in council — simply by the cabinet — do they feel that it was necessary to double his salary to \$120,000, when others could only get 3 per cent? Why do they think, Mr. Speaker, that it was important for them to pay the chairman of the SaskPower somewhere in the neighbourhood of \$200,000 a year?

Mr. Speaker, there was lots of money. There's lots of money for their friends — large salaries, large income. And, Mr. Speaker, all of those, all of those have assisted and have helped to create this huge deficit that we now have.

Mr. Speaker, the other reason we are here today debating Bill 61 is because we've had poor and weak leadership in negotiations. This Premier — because he was in the back pocket of Mulroney, the Prime Minister — this Premier had nothing to negotiate because he was always the yes man. He was the yes man on the GST. He flip-flopped on that. He was the odd man out when all the other premiers opposed the federal GST. Where did this Premier stand? Well he sat right in the back pocket of Prime Minister Mulroney. And he said, yes Brian, I'll support you. Because you bailed me out in 1986 and saved my hide, I will now help you out.

Every other province was thinking of taking the federal government to court. Where did our Premier stand? In support of the GST. And, Mr. Speaker, when it came to negotiations of GRIP and NISA, what great deal did he get for this province?

Let's compare what we are paying in Saskatchewan as compared to Ontario and Quebec. And, Mr. Speaker, the member from Shellbrook-Torch River says . . . well the

member opposite says, well they got a bigger population. So what. On a per capita basis, on a per capita basis we here in Saskatchewan pay about \$160 . . . we pay \$160 per acre whereas Ontario pays about 30 and Quebec pays about 18. Where is the fairness of that?

I ask the member opposite, where was the Premier when he negotiated that deal? Or, Mr. Speaker, was it because the Premier was so determined, so determined to have something in place before the next election that he settled for anything at any cost? And what he has done, Mr. Speaker, he has saddled this province once again with huge costs which should have been borne by the federal government.

Mr. Speaker, this is not a provincial matter. This is a national and international concern. And why are we asked here today . . . I ask the leader, the House Leader for the government if he truly and honestly believes that it is incumbent upon us, a million people in the province of Saskatchewan, to pay and bear the burden of the agriculture policy, the agriculture problems that exist in Canada, and not only in Canada but internationally. Do you not agree that that should be a national responsibility and not a provincial responsibility?

Why are they asking the province of Saskatchewan, with a million people, to bear the major burden of that particular program of GRIP and NISA? And that, Mr. Speaker, says nothing against the program of GRIP and NISA, that they weren't needed. I'm not arguing that. What I'm arguing is that we had a very weak negotiator, very weak negotiator representing Saskatchewan, because he wanted an election and he wanted an election in April, but he got turned down because of the Boundaries Commission dispute.

Mr. Speaker, what I'm saying is that we have weak leadership today and it's cost the province very dearly in the last nine years. Very, very dearly. We have a Premier here who doesn't know how to negotiate. He sold his soul to Brian Mulroney a long time ago, and because he owes the Prime Minister, because he owes the Prime Minister, Mr. Speaker, we now are faced, we now are faced with this problem of paying for GRIP and NISA. And I'm not again, Mr. Speaker, saying that GRIP and NISA or programs like that weren't needed for the farmers. They were. But the responsibility, remind the Premier, rests with the federal government and not with the . . .

The Speaker: — Order, order. The Premier has a request.

Hon. Mr. Devine: — With leave, Mr. Speaker, I would like to introduce some students from Estevan.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Devine: — Mr. Speaker, in your gallery today are 22 students from the Hillside School in Estevan and they are accompanied by Marge Young, teacher, and Myrna McClary, and the bus driver is John Chess. And I want the members of the legislature to welcome them here.

I'm going to be having a visit with them and having some refreshments and showing them around the legislature, Mr. Speaker. Please welcome these students from the constituency and city of Estevan.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 61 (continued)

Mr. Rolfes: — Mr. Speaker, may I join with the Premier in welcoming the students here this afternoon . . . (inaudible interjection) . . . Oh I'm always nice to them. Mr. Speaker, I have some very close relatives living in the constituency of Estevan who give me a regular report about what is happening in the city, and it looks very good for us, Mr. Premier.

Mr. Speaker, getting back to the topic. What I said, Mr. Speaker, before the Premier introduced the students was that because of the lack of leadership that the Premier has shown in his negotiations with the federal government, we now find ourselves in this predicament. In the predicament that we have to again go to the people of Saskatchewan, ask them to bear the financial cost of a program that is caused or is here, Mr. Speaker, because of an international and a national problem. That, Mr. Speaker, I feel is unfair and the people of Saskatchewan feel that it is unfair.

Mr. Speaker, yesterday we had a poll in Saskatchewan, the Angus Reid poll. And again, Mr. Speaker, it clearly indicates the people of Saskatchewan are looking for strong leadership. They're looking for people that are trustworthy, people that will, yes, make promises, but make responsible promises and will keep them — and will keep those promises.

Mr. Speaker, we only need to go back to 1982. And what promises were made by the members opposite? Well, Mr. Speaker, they said that they would do away with the sales tax. The 5 per cent sales tax, they were going to do away with it. What did they do? They increased it to 7 per cent.

(1500)

And now, Mr. Speaker, not only did they not do away with the sales tax, but increased it to 7 per cent. Now they want to expand that sales tax to considerable other items. For example, right now it's on restaurant meals and it's on children's clothing. But by 1992, January 1, 1992, they say they're going to harmonize it with the federal GST and we know how many hundreds of thousands of jobs have already been lost by the implementation of the federal GST.

Mr. Speaker, if you follow the logic of the Minister of Finance, he says the 7 per cent expanded GST will create over 5,000 jobs. Well if that is true, why doesn't he double the tax and double the number of jobs that are created? Or even triple it and have a triple number of jobs. Boy you know, pretty soon, if we have the taxes high enough, we could have everybody at work. Everybody

could be working.

Mr. Speaker, it just doesn't make sense to say that you're going to increase taxes by \$460 million and that is supposed to create jobs. Where is the logic of those people opposite?

But as I said to someone the other day . . . someone asked me the other day what's the logic of those people in government? And I said to him, I said to him, don't think logically with those people, because if you do you're lost. They never have; this Premier has never thought logically. He's fought politically, what is politically expedient for him and his government now. Not what is in the best interest of the people of Saskatchewan, but what's in the best interest of the Premier and his colleagues and the Progressive Conservative Party of Saskatchewan. That is how he thinks, Mr. Speaker. And that is why, Mr. Speaker, we are in the mess that we are in today — \$5.2 billion debt — by that kind of thinking.

Mr. Speaker, and I believe as the poll clearly indicated yesterday, that he will reap his just reward in the next election. He will reap his just reward in the next election and deservedly that is exactly what he should get.

Mr. Speaker, as I was indicating the promises that were made, they said that they would cut the income tax by 10 per cent. Oh, Mr. Speaker, you remember that well. They said they would cut the income tax by 10 per cent. What have we today? The highest, the highest income tax in all of Canada. And if they don't believe it, I'd ask them to have a look at their last income tax report and compare what your provincial tax was of the federal tax that you paid, and you will find that in most instances it was 60 per cent or over, 60 per cent or over, unless you had a lot of exemptions. Unless you had a lot of exemptions.

Mr. Speaker, why do I say that? I say that because they had implemented a 2 per cent flat tax, which is a most regressive tax anywhere that you can find.

They've also implemented the surtax. And I'm not really opposed to a surtax, but I am opposed to the flat tax, because it's a regressive tax. It means that the people who earn less are paying more on a percentage basis than those of high income. Mr. Speaker, that is unfair. It is simply unfair.

So did they cut the income tax by 10 per cent? Of course not. They've increased it substantially. Increased it to the extent, Mr. Speaker, as I've said — and the Minister of Finance well knows this — that we pay the highest income tax in all of Canada; the highest income tax in all of Canada if you include the surtax and you include the 2 per cent flat tax.

Mr. Speaker, they also said that they would eliminate the gas tax. And we've seen that happen. Well in 1982 he said he'd take off the 40 per cent gas tax and we should have twigged to that. We should have twigged to that when the leader of the opposition at that time said it, the present Premier. Because it wasn't a 40 per cent tax. It was a 29 per cent tax. And the people of Saskatchewan should have said to themselves, if this man can't distinguish between 40 cents and 29 cents, what will he

do when he gets into the real complex problems of government. Well exactly, he doesn't understand it. He doesn't understand it. He throws money around. He throws figures around as though they don't mean anything.

And I remember a few years ago asking him a question in the Assembly about the debt. And I said, Mr. Premier, you're out \$500 million. His answer to me simply was, so what? Five hundred million dollars and the Premier says, so what? Mr. Speaker, that is why we are in the mess that we are in — \$5.2 billion.

Mr. Speaker, I remember well when he said there's so much more that we can be. Well people took that as being so much better. Well we are so much more all right. So much more debt, so much fewer jobs, so much more unemployment, so much more people leaving this province — 80,000 net in the last five years. Oh at least, Mr. Speaker, he was right on that — that we're so much more that we could be.

Mr. Speaker, when the Premier was in New York a few years ago and said, Saskatchewan has so much going for it that you can mismanage it and still come out ahead, he didn't know how wrong he was. You can mismanage. You can mismanage a little, but not to the extent that this Premier has mismanaged. This Premier has mismanaged the economy and the finances of this province to the extent, Mr. Speaker, that we don't have a surplus, but we have a \$5.2 billion deficit. And, Mr. Speaker, that is what the people of Saskatchewan have to bear.

Mr. Speaker, that is the legacy that this Premier, this government, will leave after the next election, Mr. Speaker. And it'll take the people of this province, not 10 years and maybe not 15 years, but it'll take them 20 or 25 years to undo the harm that was caused by the incompetence of this Premier and his colleagues. He will go down in history as probably a worse premier than Anderson was. And it took 50 years.

And the member says, not for long, not for a while. That's right. It'll be five months if he doesn't have the nerve to call an election sooner. Five years and he is gone; he'll be history. And the history that they write about this individual and that government will not be very complimentary, I can assure that member.

Mr. Speaker, let me go from here to quotes that were made on the deficit by members opposite and why we are in the position today that we are in. The members opposite make promises which they know they can't keep. They make statements in their budget, statements which they know will never come to fruition. And this is borne out not once but a number of times by Finance ministers of this province, of this government.

Bob Andrew in 1982, when he was the minister of Finance, said this: this is a minimized and manageable deficit — 1982 — this is a minimized and manageable deficit. What did he say in 1983? We anticipate a manageable increase in our combined deficit. Well what did he say in 1984? We believe that all governments must work in concert to reduce budget deficits. This was 1984. Failure to accomplish this will force harsh financial

penalties on our children.

And he was so prophetic; he was so right. And we only had, Mr. Speaker, at that time a deficit of about 500 million. I wonder if he thought that he would ever have a deficit of 5 billion by this government. He was very, very prophetic.

In 1985 we hear Bob Andrew saying the following: the preliminary deficit for 1984-85 at 379.4 million was 112 million higher than estimated. Well at least, Mr. Speaker, he paved the road for the next minister of Finance because that minister was only out 112 million.

Well, Gary Lane . . . pardon me, the present member from Qu'Appelle-Lumsden, said this in 1986: this government — and I want the members opposite to listen to this — this government is confident that a balanced budget can be achieved within the next five years. That means by 1991 we should have a balanced budget. Do we have it? Of course we don't have it.

Not only do we have a deficit, but now they're before the legislature asking for an increase in taxes of \$460 million. And are they going to balance that? Even with that amount they're not going to balance the budget.

Mr. Speaker, what did the present member from Qu'Appelle-Lumsden say in 1988? Well he said the following . . . oh, 1987, I missed one here, because I don't want to miss this one. The deficit for 1986-87 is currently forecast to be \$1.2 billion, about 800 million over the budget figure of 389.

Before the election he said it would be 389. Immediately after the election it was 1.2 billion. What does he give as an excuse? Well we overestimated the price of oil. When in Public Accounts when I questioned the Finance department, clear indication, as members who are on that committee know, clear indication that they knew well in advance of October that that 389 million was way out — way out. That's exactly why in yesterday's poll the people said that they were untrustworthy. The Premier and his colleagues are untrustworthy. They are not honest with the people of Saskatchewan.

Well what did that member say, the member from Qu'Appelle-Lumsden when he was the minister of Finance in '88? This government is committed to improving the financial management of the public sector and reducing the deficit. Well at that time it was only 4.3 billion. Today it's 5.2 billion. Well he was wrong again. In 1989 what did the minister of Finance say at that time? He says, through the careful balance of priority spending and sensible revenue measures, we will reduce the deficit.

Well today, Mr. Speaker, in Bill 61 they are before us again. They've already forecast a deficit. Now they need another \$460 million. To balance a deficit? Of course not. We're still going to have hundreds of millions of dollars in deficit increase and they want \$460 million. Enough is enough.

Well and then what did the present Minister of Finance say in 1990? We all want a lower deficit. We want a lower deficit because deficits add to the provincial debt — well

that's quite a statement — which in turn leads to the higher interest cost. What did he expect an increased deficit would do? Reduce the debt? Of course it will increase the debt. Everybody knows that. But, Mr. Speaker . . . and he indicates to us that the interest would be \$493 million.

Mr. Speaker, I want to also refer to a statement made by the present Minister of Finance in 1990 when he said the following. Continual deficits and the debt they produce do create problems. The province cannot sustain deficits at the current levels on an indefinite basis.

Mr. Speaker, what we have here is a government that is incompetent, a government that simply doesn't know where it is going, a government that does not deserve the confidence of the people in the next election. And, Mr. Speaker, I am convinced, I am convinced as surely as I stand here that the people have had enough. They've said, enough is enough and we are not going to stand for it any longer. And they will tell them in no uncertain terms in the next election as to what they think of the nine years of incompetence, incompetency of those people who are sitting opposite.

Mr. Speaker, I just want to . . . I haven't got the time, Mr. Speaker, to go into all the details, but I do want to also say that it's not just in income tax. It's not just the increase in income tax that these people have increased the burden, the financial burden of the people of Saskatchewan. I have here before me, Mr. Speaker, increases in provincial government licences, fees, and charges since 1982.

(1515)

And it would be scandalous, I think it is scandalous what they have done to this province. Those of us who enjoyed the provincial parks before 1982, we well remember, Mr. Speaker, how the poor people, the low income people enjoyed the parks at \$2 park fees. I remember, Mr. Speaker, licensing my trailer which is a fold-down, a tent trailer, a fold-down trailer. And in 1982 — and I want the members to check it out — was \$18 for a licence, \$18 for a licence. Now I haven't checked in the last two years because I haven't licensed it, but two years ago it was \$72 — \$72, Mr. Speaker, for that licence. In other words, a 400 per cent increase on the licence of a fold-down tent trailer — 400 per cent increase.

Mr. Speaker, let me refer to a few others. What have been the increases? Well, class 4 driver's licence, 122 per cent. Resident white-tail deer licence, 100 per cent. I'll just run through a few. Wiring permit for school, 100 per cent. Replacement driver's licence, 100 per cent. Boiler and pressure vessel engineer's certificate, 471 per cent increase. Registration of business corporation annual return, 100 per cent increase. Business corporation certificate of incorporation, 150 per cent increase. Business corporation certification of documents, 300 per cent increase.

Is it any wonder, Mr. Speaker, that small businesses are not supporting the members opposite? Is it any wonder, Mr. Speaker, that the small business . . .

An Hon. Member: — Who told you?

Mr. Rolfes: — Who told me? Angus Reid poll clearly indicated yesterday. I thank the member for asking me that question. The Angus Reid poll clearly indicated that a huge majority of the small-business people are not supporting the Conservative Party.

Mr. Speaker, special care home charges, 73 per cent increase; change of name application fee, 300 per cent increase; certificate of incorporation for non-profit corporations — I want the members to know this is non-profit corporations — 100 per cent increase; registration of business name, 150 per cent increase.

Well, Mr. Speaker, the next one, I found it rather interesting, marriage licences, 250 per cent increase. What have the people opposite got against people getting married? — 250 per cent increase. I wouldn't be a bit surprised if I go a little further, we're going to find a huge increase for people who get married in churches. You know, I just can't believe it.

Incorporation fee, home building co-operative, 100 per cent increase; guides licence issued after June 30, 200 per cent increase. Here's another one that the member opposite would be interested in. Provision of a transcript, provision of a transcript to a university in Saskatchewan — that's for students — 100 per cent increase? No, you're not close; 200 per cent increase? You're not close. A lopping 400 per cent increase for students.

I want the Minister of Education to know that, that he increased the provision for a transcript for university students by 400 per cent. Not only that, Mr. Speaker, he had the audacity to stand in this House saying that tuition fees are not too high, that they're reasonable, when they had a 47 per cent increase at the U of S (University of Saskatchewan) — 47 per cent increase. Most of them, Mr. Speaker, most of them ranged from 23 per cent to 47 per cent. Most of them. That is true. Most of them are from 23 to 47 per cent increase. I've got the figures from the university and I'll discuss those with you, Mr. Minister, in estimates in Education.

Mr. Speaker, here's another one. Renewal of firemen's certificate, 400 per cent increase? Oh, you're not close; 500? You're still way off. Seven hundred per cent increase — 700 per cent increase, Mr. Speaker.

Mr. Speaker, let me say to the members opposite, I have before me here — and it's no wonder — I have before me here a provincial income tax comparison in 1990, a family income of 40,000. And we find that Saskatchewan is by far, by far the highest income tax in all of Canada. The only other province that comes fairly close is Newfoundland. Newfoundland, it's 2,239; in Saskatchewan it's \$2,426.

Mr. Speaker, I wanted this afternoon to also speak about tax reform, but I don't think I will have time. I don't think time will permit me to do that. But I remember full well the former minister of Finance, the present member from Qu'Appelle-Lumsden, how he supported the federal initiative in tax reform. Time and time again, time and time again he supported the federal government tax reform. And what did that reform do? What did that tax

reform do?

It had huge savings, Mr. Speaker, huge savings for people making a hundred thousand and over, but very, very little savings for those people who made 40,000 and less. And it was this particular . . . it was the minister from Qu'Appelle-Lumsden, the member from Qu'Appelle-Lumsden who supported that with the other people on that side.

Mr. Speaker, that tax reform and that particular member at that time, the minister of Finance at that time said, we're taking the first step of tax reform by initiating — and the member knows full well — we are going to put in a flat tax of .5 per cent. You remember that. What did he do then? Then he increased it to 1 per cent. The following year it became 1.5 per cent. But then he said, well we are not going to . . . then he put it to 2 per cent but he said it won't stay on. I ask the members opposite, what is the flat tax right now? You all know it's 2 per cent, of course. Another promise made and another promise broken.

Mr. Speaker, what is the problem that we have today in Saskatchewan as far as finances are concerned? The problem, Mr. Speaker, is the accumulated debt, the accumulated debt of 5.2 billion, because it costs this province, it costs this province \$500 million a year in interest charges alone, in interest charges alone.

Mr. Speaker, I want to ask the members when they leave this Assembly, to turn to the *Leader-Post* of April 23, 1991. And there they will find what damage they have done to this province and why, had their fiscal policies been responsible, had those fiscal policies been responsible, you would not have this Bill before this House today because there would be adequate funds available to pay for GRIP and NISA.

Mr. Speaker, the question in this editorial they ask is this: did you know that by next March your debt will reach almost \$5,200? They're addressing this to each individual in Saskatchewan.

The next question that's asked is what debt, you ask. It's the one the government has piled up in your name over the last nine years — this government, the PC government. If we didn't have to pay the interest — and I want members to note this — if we didn't have to pay the interest on this debt, the debt that you people have created through your mismanagement and your ill-founded policies, if we didn't have to pay this debt, we could pay the 124.8 million for the gross revenue insurance plan, that's GRIP, and the net stabilization account, or NISA programs this fiscal year and still have more than \$390 million left over to help out farmers in any other way we see fit.

It's because of the wrong-headed policies that you people implemented in 1982, because of the fiscal irresponsibility of you people and the Premier of this province, is that we are now paying the penalty for those ill-founded and ill-spearheaded policies that you put into effect in those years.

Mr. Speaker, there are so many other things that one could talk about, about this government and their

ill-founded policies. You know, we didn't have . . . I want to refer to one other, Mr. Speaker, in this area. And that's the *Leader-Post* on Monday, April 9, 1990. It says: One thing is certain, Hepworth said. Taxpayers feel they're already paying their share.

I want the members opposite to hear that. This is what your present Minister of Finance said:

One thing is certain . . . (This is in 1990.) One thing is certain, Hepworth said. Taxpayers feel they're already paying their share.

I want to continue with that, and he says this:

"When it comes to taxes — whether it is the business tax, personal income tax, the flat tax, the goods and services tax, lottery tax, property tax — I think they're frightened. I think they've had enough."

Let me repeat that. I want the member to know that. This is your present Minister of Finance saying this.

"When it comes to taxes (I'm quoting him), when it comes to taxes — whether it is the business tax, the personal income tax, the flat tax, the goods and services tax, lottery tax, property tax — I think they're frightened. I think they've had enough."

And I would agree with that Minister. They've had enough. We should defeat this Bill and move on to other programs, Mr. Speaker, other Bills that you want to pass and if you so feel like it, which I'm sure you don't after the poll yesterday, let's dissolve this House and call an election so the people can then make a decision.

Mr. Speaker, the boundaries will be there sooner than you think, sooner than you think. The member opposite says, well what about boundaries? Well I'll say to him that I hope he gives me the guarantee that when the federal Supreme Court comes down with the decision on Thursday that he will use his influence in cabinet to make absolutely certain that the Premier will not chicken out this time and will you call the election immediately, and let the people decide. Let the people decide.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, I have another one here. It

says tax man takes \$265 million bite. This was in 1987.

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

Mr. McLaren: — Mr. Speaker, I'd ask for leave to introduce some guests, please.

Leave granted.

INTRODUCTION OF GUESTS

Mr. McLaren: — Thank you very much, Mr. Speaker. It is my pleasure today to introduce to you and through you to all members of the Assembly — we have 42 grade 4 students from Simpson School in Yorkton and they are accompanied by their teachers, Marilyn Pearson and Sharon Brown; chaperons, Mrs. Brown, Mrs. Humphries, and Mrs. Phillips.

Simpson School reminds me of the past, Mr. Speaker, where two of my children started their education in Simpson School. So we have a soft spot in our heart for that school.

We hope you enjoy your stay in the Assembly today, and that you have a good tour. And we hope you have best of luck in your exams and a real happy summer holiday.

So I'd ask all members to please welcome these students from Simpson School, and I'll be meeting with you very shortly.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 61 (continued)

Mr. Rolfes: — Thank you, Mr. Speaker. Mr. Speaker, a Tory government, whether in Ottawa or in Regina, over the last number of years have proven that when it comes to taxation policies, they will always hit the small-income earner the most.

And I want to read, Mr. Speaker, from a paper, *The Globe and Mail* of 1988, and quote the former prime minister of Canada, Mr. John Turner. Mr. Turner said: figures from Statistics Canada and the Canadian Institute for Public Policy show that Canadians who earn 20,000 a year are paying \$390 more in taxes than in 1984 when the Conservatives came into power, and those earning 40,000 are paying 840 more. But those earning — I want the members opposite to listen — those earning 120,000 more are paying \$3,570 less.

That is tax reform. That is what they call tax reform. Those who made 20,000, Mr. Speaker, were paying \$390 more; those who made 40,000 were paying \$840 more, and you would expect that if they had fair taxation that the person who's making 120,000 would be paying more. But that's not true.

And it was the former minister of Finance of this province, the present member from Qu'Appelle-Lumsden, who

supported that reform, and the \$120,000 paying \$3,570 less, Mr. Speaker.

(1530)

And in that category many of the cabinet ministers opposite — I can understand them supporting that policy — many of them will be making that kind of money. And of course they'd be supporting, of course they'd be supporting that kind of policy because it's in their best interest, personal interest, Mr. Speaker, to support it.

But I can tell the members opposite, that is not in the best interest of the ordinary citizen of this province and that is again why I say the Angus Reid poll yesterday puts you at 16 per cent. You are not listening. You are not listening to the ordinary citizen of this province. And you deserve, you deserve exactly what you're going to get in the next election, and that is to seek employment somewhere else.

Mr. Speaker, I want to . . . The Fraser Institute . . . I don't often quote the Fraser Institute, so I think I can do that. The Fraser Institute in June of 1987 said the following, and I quote from the *Leader-Post* of Saturday, August 8, 1987:

A June 1987 Fraser Institute report shows Saskatchewan people are more heavily taxed than those in Newfoundland, Prince Edward Island, New Brunswick, and even NDP-run Manitoba.

That was, Mr. Speaker, in 1987.

Here's another, *Western Producer*, Thursday, November 11, 1987, "Saskatchewan heaps on more taxes":

The Saskatchewan government has increased its flat tax and has warned the public to expect a "significant" increase in sales tax.

Finance minister Gary Lane announced last week that the flat tax will increase from one percent of net income for 1986 to 1.5 percent in 1987. The increase is expected to bring in \$55 million to \$60 million.

And we know of course, Mr. Speaker, that since that time they have increased the tax from 1.5 per cent to 2 per cent.

Mr. Speaker, there is lots of evidence to show that since 1982 this government and its counterpart in Ottawa, two Tory governments . . . This government inherited a surplus, no debt in the current account. I recognize that the Tory government in Ottawa inherited a debt of \$160 billion in Ottawa. But if they were fiscally responsible, if they were fiscally responsible, Mr. Speaker, would they have allowed that debt to increase to the present \$419 billion in Ottawa? Four hundred and nineteen billion dollars.

And I can remember well that the Tory government in Ottawa blaming the Liberals for this huge debt. And again I don't have time, Mr. Speaker, to go through the editorials that have been written which clearly indicate you cannot blame the former governments for ever. Sometimes you've got to accept your own responsibility

for the policies that you have implemented and the irresponsible policies, fiscal policies that you have implemented which have caused this huge debt.

I've said that the government in Ottawa, the government in Ottawa inherited a debt of \$160 billion. It's now 419 billion. But what has this government done? In 1982 they inherited a \$139 million surplus and we now have a accumulated debt in the current account, of 5.2 billion.

Not only, Mr. Deputy Speaker, are we the highest taxed before this Bill comes into effect, if it ever does, not only are we the highest taxed already, but we also have the highest debt per capita in all of Canada.

Mr. Speaker, that tells me something about the incompetence of those people opposite, and they don't deserve to govern any longer. Any day that they continue to govern is an increased debt for the people of this province and it's time that a new administration takes over, implements some policies which come to grips with this debt and with this deficit that has been created by those people opposite, not only by their incompetence, by their mismanagement, by their waste, by their patronage appointments that they have made.

Mr. Deputy Speaker, I think it is time that the Premier opposite put some credibility back into his statements and his policies. We have before this legislature, Mr. Speaker, several Bills. One, Mr. Speaker . . . well I don't need it anyway. One, Mr. Speaker, is Bill 61, the one that we are debating right now, and that is the Bill to increase and expand the sales tax — \$460 million increase.

The other Bill that I want to refer to — and that's why, Mr. Speaker, I refer to the hypocrisy of this government, the hypocrisy of this government — they have also before us a Bill, Bill 69, which refers to referendums and plebiscites. And I believe, if I remember the details of that Bill correctly, it says that if 15 per cent of the adult population sign a petition, that they should have the right to ask for a plebiscite and then the government could also initiate referendums.

We have today, Mr. Speaker, our Leader of the Opposition, the hon. member from Riversdale, tabled the remainder of the petitions that we have received so far — and they're still coming in — which clearly indicated that we have tabled 120,000 petitions. People of this province have clearly indicated, no we do not agree with the Bill that is before this legislature. We do not want those increased taxes. We think that you have sufficient revenue that you can take that out of present revenue if only you cut out some of the waste and mismanagement, if only you cut out some of the patronage, if only you changed some of those misguided policies that you have implemented over the years. There's lots of money there to pay for GRIP and NISA.

A hundred and twenty thousand people have asked you, have asked the government to listen, have asked the government to withdraw this Bill and have asked the opposition to do whatever it can to stop this Bill and force the government to call an election.

But even before that, Mr. Speaker, if there was any

credence at all in what this government says, in what this Premier says and does, if there was any credence at all, he would say to this legislature, I withdraw the Bill and I will hold a plebiscite. But why waste the money on a plebiscite; I'm into my fifth year. I've only got five months left into my term. I'll call an election and let the people decide. If there was any honour at all, that's what he would do. That's what he would do. He would say to the people, I have listened, I have heard, I will carry out your will.

Why when there's only five months left in his term, in the dying days of his term, why does he want to force this down the throats of the people of Saskatchewan. A hundred and twenty thousand people have signed petitions saying to him, stop. And in the words of the present Minister of Finance, enough is enough. We will refuse to pay any more taxes.

And, Mr. Speaker, the people of this province have shown that they will not support it. They have shown by crossing the borders of Alberta, by crossing the borders in the United States and doing their shopping there. Mr. Speaker, they have shown by the car dealers who've come into this legislature. They've shown by their restaurateurs who've signed these petitions and who have shown up in this legislature. Mr. Speaker, what more does this government need? What more proof does there have to be to show these people opposite that they do not have the confidence of the people of Saskatchewan any longer. They have no mandate.

If there was any legitimacy, if there was any honesty, any honour at all left in the members opposite, they would convince that Premier, since he is only at — what is it? — 16 per cent according to the Angus Reid poll, or 19 per cent? No, he's at 16 per cent; the party is at 19 . . . If he had any credence at all, if he had any credence at all, Mr. Speaker, he would dissolve this House as soon as the Supreme Court makes a decision on the boundaries and we would have an election and let the people decide.

Mr. Speaker, I have dwelt considerable amount on taxes, not only with this government but the government in Ottawa. And the reason I did that, Mr. Deputy Speaker, was because this Premier has been in the hip pocket of the Prime Minister of Canada ever since 1982. And even more so, deeper in the hip pocket of the Prime Minister of Canada since 1986 when the Prime Minister bailed him out in an election that there's no doubt he would have lost.

But, Mr. Speaker, because he sits in the hip pocket of the Prime Minister he does not negotiate for the well-being and the best interest of the people of this province. And again, Mr. Speaker, as I've indicated, that was clearly shown, clearly shown, by the poll that was done by Angus Reid yesterday . . . or the results that came out yesterday.

Mr. Speaker, I do want to read into the record a few other quotes which clearly indicate that the future of Canada, and that includes Saskatchewan . . . and because of the close alliance between the Premier of this province and the Prime Minister of Canada, I feel that the Premier of this province has to bear a lot of the responsibility of what is happening not only in Saskatchewan but also in Canada

as such. Because he could use his influence in changing the policies of the federal government so it would not continually off-load onto the provinces.

We need a strong voice sitting in the Premier's chair, a strong voice that will stand up to Ottawa, a strong voice, as I say to the Minister of Education, that will stand up so that the federal government will not off-load in post-secondary education.

And I ask the Minister of Education, when's the last time that he was in Ottawa negotiating for the province of Saskatchewan, for our two universities, so that you don't have to increase tuition fees because the federal government will not pay its fair share of post-secondary education?

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Not only that, Mr. Speaker, I have yet to see this Minister of Education, I've yet to see this Minister of Education stand up for the interests of the students of this province. He constantly apologizes for his cabinet ministers and for his government because of the lack of funds, operating funds that he provides. And he provides for the two universities. And, Mr. Speaker, is it any wonder when you have an apologetic Minister of Education that you have the lowest per capita operating finances in all of Canada — the lowest, the lowest per capita operating in all of Canada because you have an apologetic Minister of Education. That is why, Mr. Speaker.

I think he must even go into cabinet and say, oh no, that's lots. I don't need any more than that, you know, otherwise I'd lose my position of being in last place.

Mr. Speaker, there's lots of evidence to show the policies of the provincial and federal government are doing irreparable harm to this country of Canada. And I just want to quote one line from *The Globe and Mail* of April 6, 1989, an article written by W.A. Macdonald. I'll only read one line. And he said, "THE RAPIDLY GROWING national debt puts Canada's future in jeopardy."

Mr. Deputy Speaker, if that statement is true, that the national growing debt puts Canada in jeopardy, then I think it's the logical step to say that the growing debt in the province of Saskatchewan puts the future of Saskatchewan in jeopardy also. And that is the concern that the people of Saskatchewan have. That is the concern that they have and that is why, Mr. Speaker, they have lost their faith in the people opposite, because over the nine years they have become irresponsible.

(1545)

Mr. Speaker, I want to also read from *The Financial Post* of February 27, 1989. And this is an article by Hyman Solomon. "At last, Mulroney riding herd on deficit." Well I wish he had been correct when he wrote this. But what I want to read is the last few lines of this article that he wrote. He said that the resolve is there.

The resolve is there, (to reduce the debt that Canadians want the debt reduced) but the results

are still to come. What is certain is that the deficit/debt problem, politically, is no longer the legacy of former Liberal governments. It belongs to the Tory government, lock, stock and rising misery index.

Mr. Speaker, I use that quote because recently I heard the Premier and a few of his colleagues opposite trying to blame the \$5.2 billion deficit on the former Allan Blakeney government. Absolutely ludicrous. Everybody admits that there was a \$139 million surplus. I mean it was signed by Bob Andrew who was then the minister of Finance, in July of 1982, signed that there was \$139 million surplus. And yet I heard the Premier the other day and a few of his colleagues saying that a large part of the blame for the \$5.2 billion deficit rests with the Blakeney government.

Well I suppose it rests with him. If we had left \$2 billion, the Progressive Conservative government now could have even wasted that too. And to that extent I suppose it's true. But certainly it's a leap of logic, Mr. Deputy Speaker, to try and blame that on to a former government.

Mr. Speaker, I want to close my comments by simply saying this. This Bill that is before us today — Bill 61, to expand the health and education tax and sales tax — which will give this government another \$460 million, taxes which the people of this province can ill afford, a Bill, Mr. Speaker, that is not supported by very many people in this province, hardly anybody . . . Business people don't want it; farmers don't say that they need it, I mean the poll clearly states that. We can't find very many people who want this Bill and say we need it. Four hundred and sixty million dollars — to take that out of the economy when you have a stagnant economy already further, Mr. Speaker, further puts the brakes to that economy.

And instead of the government getting additional revenues, it will find that the people simply will not expend that money in this province. They will expend it in the province of Alberta. They will go to the United States and spend their hard-earned money there, but those revenues will not accrue to this province.

And, Mr. Speaker, because this government doesn't have a mandate to implement this huge tax grab in the last five months of their term, I think they should withdraw this Bill. As the amendment says . . . and I'm sure the Government House Leader who is a reasonable man, will see the logic of that and he'll support this amendment. He will say yes, we only have five months left. If the people really want this Bill, if the people really want this Bill and they want these tax increases, then let's put it to a vote. You've had 120,000 names, Mr. Minister. You've had 120 names tabled in this legislature.

Why don't you, together with a call for an election, have a plebiscite. Have a plebiscite on this Bill and if the people give you a mandate again, then yes, bring that Bill back to this legislature and it shall be passed. You don't have that mandate now. Do the honourable thing. Withdraw the Bill. Take heedance of the poll yesterday. Listen to the people and say yes, I'll do the honourable thing. I will listen despite what my colleagues opposite say. Despite

what my colleagues say, I'll do the honourable thing. I'll withdraw this Bill. And I will recommend to my caucus that we do have a plebiscite.

And let's go on with the other business of the House. Let's go on with our estimates. Let's go on with those other Bills and then when the Supreme Court makes its decision tomorrow, and if the boundaries then are legitimate, let the Premier call an election. And let the people decide.

Mr. Speaker, I can't support this Bill. I don't intend to support this Bill if it ever comes to a vote. I will, however, if it comes to a vote, support the amendment, which, Mr. Speaker, would give the people of this province as they've clearly indicated through the petitions, their voice. They will decide and that will be the paramount issue in the election.

Do they want \$460 million additional revenues for this government to waste and mismanage or will they tell the people of this province look, \$4.5 billion of revenue should be sufficient in a province that only has a million people. That should be sufficient to run a government. Let's cut out some of the waste. Let's cut out some of that advertising. Let's get rid of some of those patronage appointments. Let's get rid of some of those legislative secretaries. Let's do a real housecleaning. And if you did that I'm sure that you would find the money that you need for GRIP and NISA.

And by the way, Mr. Deputy Speaker, I noticed yesterday when I went through Bill 61, the House Leader says, the Government House Leader says he needs this money for GRIP and NISA. Not once in Bill 61, nowhere, Mr. Deputy Speaker, is GRIP and NISA even mentioned — nowhere. This \$460 million will go into the general coffers, for what? For more patronage appointments? For more waste and mismanagement? For more advertising for Dome Advertising? We don't know what it's going to go for.

Mr. Speaker, because this government has lost its mandate, because this people does not have the confidence of the people of Saskatchewan, and because I believe, Mr. Speaker, that money can be found in the \$4.5 billion that we presently get as revenues in the government, I cannot, neither will I support this Bill if it ever comes to a vote. But if it does, I will support the amendment. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you very much, Mr. Speaker. It's very much my pleasure, Mr. Deputy Speaker, to enter into this debate on Bill No. 61. And in my view, Mr. Deputy Speaker, this is a very important piece of legislation for the health and wealth and economic well-being of this province that I've called home now for some 35 years.

Mr. Speaker, this Bill has been under debate in one form or another in this Legislative Assembly and outside this Legislative Assembly, I think it fair to say, since February 20 of this year. It was on that day that our Minister of Finance, the member for Weyburn, saw fit to pre-announce to the people of Saskatchewan, with some

very good justification, the implementation of this tax.

Mr. Speaker, we have heard from the opposition in a very narrow-minded, simplistic, distorted, one-sided point of view as to why simply, just don't pass the tax; don't bring in the Bill; don't tax us; with absolutely no alternative or no analysis of the realities of what this society is facing — no depth of analysis of really where this province is at fiscally and socially, Mr. Speaker.

I believe that members opposite have not done justice to really analysing the impacts of this legislation and analysing . . . or suggesting, pardon me, some alternatives. And, Mr. Speaker, this afternoon I'd like to go through with you in a succinct sort of a way, some of the benefits for this legislation, some of the reasons, some of the justifications, some of the facts as to why this piece of legislation is absolutely essential.

Firstly, Mr. Speaker, you will know that this province is committed to two farm programs. Those are GRIP and NISA, standing for gross revenue insurance program and net income stabilization account. These are two programs, Mr. Deputy Speaker, that people all across this province, and I say urban people, rural people, young people, old people, grandfathers, grandmothers, sons and daughters, and anybody who is knowledgeable about the fact that agriculture is our base have asked for.

For so many years, Mr. Speaker, the people of this province have seen *ad hoc* programs, that is, perhaps they'll come this month, perhaps next month. And we placed a great responsibility onto our Premier to march down to Ottawa and shake some heads down there, Mr. Deputy Speaker, and bring back money to this province.

And, Mr. Speaker, I say to you today that our Premier and this party has done a very, very good job in light of the circumstances of going to Ottawa, bringing back home deficiency payments, drought payments, stabilization payments, and all sorts of moneys for agriculture.

But, Mr. Deputy Speaker, anybody could predict that that is not the way to handle the issue in the long haul. What we must do is have something that provides stability, a greater degree of certainty, something that farmers could take to the bank. This is what the people of Saskatchewan asked for and, Mr. Speaker, this is what the Conservative Party federally and provincially and across this country have provided to farmers — a long-term stabilizing set of programs that takes a lot of the uncertainty out of the air in this province.

Is that good for our farmers, Mr. Speaker? Is that good for our non-farmers, our urban and our rural people? Well I say yessirree, Mr. Deputy Speaker. And 80 per cent of our farmers in Saskatchewan agreed, and they signed up — 80 per cent, Mr. Speaker. That's a large number of farmers who said yes to GRIP, yes to NISA.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — And I make the case, Mr. Deputy Speaker, that that's just not farm people. Those are business people; those are working people. Common sense people in Saskatchewan said yes, bring us a

program that has some stability.

Did that program just grow on trees, Mr. Deputy Speaker? Could we go some place else and find the money hidden in a vault somewhere? No, Mr. Deputy Speaker. We've got a job to do and that job was to raise the moneys requisite to pay for those farm programs. Members opposite can say, oh well, we'd find it in cutting a few ads back in the local newspapers. Oh, Mr. Speaker, we'd sort of cut back some of the wages around this place and we'd find it there. Oh, Mr. Speaker, we'd buy some second-hand automobiles instead of some late model ones and we'd find the \$125 million there.

Mr. Speaker, members opposite have not been reasonable, have not been responsible, and have not really come up with a plan to raise that money. Their plan was not a plan. Their option was not an option. Their alternative is not an alternative. And oh, they can be coy and they can be smart, as politicians over the years have been, and think that they can skate around, be quiet, hide in the weeds, and not offer a plan to the people of Saskatchewan.

Mr. Speaker, these are not the 1970s. These are not the 1960s or the 1980s. Mr. Deputy Speaker, these are the 1990s. These are complex, interesting, difficult, challenging times in many, many respects. And I say to the members opposite, you may smirk and smile today and the polls may indicate for a day or two that you will again be successful in skirting around the issues and be hiding in the weeds and not bringing out policies and alternatives. But, Mr. Speaker, in the 1990s I will tell you that sort of scam, that sort of scam will not wash with the people of Saskatchewan.

(1600)

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, I believe that I've got a pretty good sense of what those people out there are going to do. And, Mr. Speaker, I've been around a little bit in Saskatchewan and I've seen some slick artists. I've seen some real wise guys, and I'll use the following analogy, Mr. Speaker.

And with all respect to salesmen — I'm a salesman myself, and about 95 per cent of salesmen are good, honest, straightforward people — but there's some people who are salesmen in this building who are going out and trying to sell the people of Saskatchewan a bill of goods. And they're like a salesman that's coming along, and they're going to grandpa and grandma and they're going to say, well why don't you buy my product? Sign the contract here, mom and pop, vote for me.

But when mom and pop say, well why don't you show us the vacuum cleaner, why don't you show us the product, do you know what they say? Oh well, we're still developing that. There's no definite plan. NDP — no definite plan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Yes, Mr. Speaker, the question is,

the question is, will the people of Saskatchewan when it comes right down to signing that contract, will they sign that contract and buy that vacuum cleaner sight unseen? When they say, oh we're developing it; it's still in the factory; as it stands now we don't have the vacuum cleaner, we don't have the plan; we're not going to show you; we're not even going to give you the drawings of it, Mr. Speaker, and tell you what it's like, the question is: will the people sign that contract? I say no, Mr. Speaker, the people of Saskatchewan are far too wise, they are far too shrewd, they believe in this province far too much to ever just sign that old contract and say, you bet we'll buy this product.

Mr. Speaker, the NDP say they have changed. The NDP say they have changed. They say, believe me, we have changed. Well, Mr. Speaker, how have the NDP changed? I say they've changed in a couple of respects, Mr. Speaker. They've gotten a little older, a little tired, and they've been recycled, Mr. Speaker. And maybe they got a little more radical. That's the only way they've changed.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, and these people, these people who would lead the people of Saskatchewan to believe that this tax is all bad have not given a full and thorough and comprehensive analysis of it to the people of Saskatchewan.

The Department of Finance, under the able leadership of the Minister of Finance from the area of Weyburn, has developed a very thorough analysis of this plan. Not a political analysis by NDP hacks in the back rooms, Mr. Speaker, but by some very professional, dedicated, competent individuals who have gone through all the work.

Mr. Speaker, have the members opposite as they've been out and about Saskatchewan said, well folks, why don't you read this plan and tell me what you think? They say, oh no, everything's all bad. And what did they leave out, Mr. Speaker? What did the NDP leave out? Well what they did leave out was all the things that have to do with low income people. Here they are, the members opposite, the so-called historic defenders of the small guy; the so-called defenders of people who can't earn their own living, Mr. Speaker; the so-called defenders of the people with less than average incomes.

Well, Mr. Speaker, I ask why did those NDP members not go to those low income families and say, you know, we don't agree with this tax but I sure want you to know that you will be getting some rebate cheques in the mail of up to \$200 per child, \$800 per family, to offset this.

Where was their real compassion, Mr. Speaker? Where was the NDP's real concern for those low income families? I challenge members opposite to go to those low income families, let them know, Mr. Speaker, that there will be cheques coming. As a matter of fact, they've already arrived.

But the NDP chose very conveniently, very conveniently, to ignore that real true economic direct benefit to low

income families. And on behalf of low income families, Mr. Speaker, I say shame on the NDP. Shame on the NDP for not talking to the low income families about some real benefits with this taxation.

Mr. Speaker, members opposite failed also to discuss the economic benefits with respect to business. And sure, Mr. Speaker, the added cost is going to have some price sensitivity in some areas. I understand that. But, Mr. Speaker, there are also offsetting benefits.

I speak, Mr. Speaker, to many, many businesses. I use as the example . . . I should firstly say, Mr. Speaker, we have to deal with the reality that the GST is here. NDP members can hide their heads in the sand, pretend it doesn't exist, but it's reality here. For better or for worse, Mr. Speaker, whether we like it or whether we don't, the GST is here. And then the question becomes how best to handle that, Mr. Speaker. How do you manage in the 1990s with a complex tax as a reality for businesses, for consumers, called the GST?

Well, Mr. Speaker, the first thing that we said to business people and business people said to us in our consultations is, well boy oh boy, you better hitch the two together, harmonize them, because as a business person, Mr. Speaker, our business people are sick and tired of overlaps, duplications, two sets of forms, two phone calls to make, two sets of bureaucrats to deal with.

Why not have a single tax, a single bureaucratic administrative system? It just makes sense, Mr. Speaker. Business people are sick and tired of filling out too many forms and administratively, I challenge the members opposite to bring back the business people that they had in the legislature here, tell them the truth, and see if those business people don't say yes, in that respect it does make sense; in that respect it does make sense.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, I know that this GST is a complex, a complex tax. It was difficult for our business people to catch on, and how did it work and there was questions and there was seminars, there was toll-free lines, information pamphlets. And there's no question, it's a tough thing to deal with.

As a business person, Mr. Speaker, I dealt with it myself. I still haven't got it all figured out. But I do know this. I do know this, Mr. Speaker, that the way the GST works is that for a business person, you get a credit. That is, you may pay GST on something, but you get a credit for it and it is offset. So in fact there is really no GST for business people. What this tax is going to do in Saskatchewan is harmonize with that and there's going to be a benefit for business people. In essence, Mr. Speaker, businesses will be tax free.

I take a look at a business that I know very well, has a telephone bill, probably 35 to \$40,000 a year, a small business. Well by my calculations, if you're spending \$40,000 a year on a telephone bill at 7 per cent, that's a \$2,800 tax bill that automatically you get a refund or a rebate or a tax credit for. That's \$2,800 on the telephone bill.

I know, Mr. Speaker, when a business person goes out to buy a brand-new pick-up truck, let's say it was a real fancy one at \$30,000, okay; maybe it was a construction outfit, a one-ton truck sort of decked out to work in a construction crew, \$30,000; 7 per cent of \$30,000 — \$2,100 benefit to that construction company that they would not have paid before.

Now, Mr. Speaker, those are real, live, concrete examples of what harmonization will do. I'm not about to say that that's the same for every business or all businesses are going to benefit equally. There will be some that won't get those large benefits. There'll be some that this tax may in fact have some disadvantages for. But, Mr. Speaker, we have to look at it in the big picture, in the big competitive picture, the big administrative picture, Mr. Speaker. The NDP have chosen not to really tell the business people of Saskatchewan some of those benefits.

Mr. Speaker, we have heard of this tax once again since February 20 of this year. That is about four months ago — March, April, May — yes, just about four months ago, Mr. Speaker, this tax was first announced. This tax is presently being collected, Mr. Speaker.

I also have to look at, well has this legislature, has this institution adequately dealt with this piece of legislation. In some ways I say it has not. In other ways, Mr. Speaker, I say this Assembly has had the opportunity to do so. And, Mr. Speaker, members opposite, before the legislature was called, they were getting in front of the news cameras and writing in the papers and say, call that legislature; get that legislature in session so we can debate this tax Bill.

And what happened, Mr. Speaker, when we got into the legislature? Well members opposite all of a sudden clammed up and they says, oh no, we're not even going to debate this Bill; oh no, we don't want to talk about the Bill. Why, Mr. Speaker, did they not want to talk about the Bill? The fact is because they are the NDP — no definite plan — no alternative.

And what did they choose as the option to debating the Bill? Well, Mr. Speaker, the public of Saskatchewan know full well what the option by the NDP was — not to provide constructive alternatives and decent analysis of it, but let's ring bells. We can hide in the weeds a different way. We can hide under the skirts of bells, Mr. Speaker. Just get away and get all the bells ringing, and then we don't have to talk about what we're going to really do. Well, Mr. Speaker, the people of Saskatchewan will not be fooled by that.

How else did they hide, Mr. Speaker? Well let's take some of the rules of the Assembly. And I don't know if they were broken or not — that's not for me to decide — but I do know that they were stretched to the absolute maximum, Mr. Speaker, bringing in petitions day after day, one name, one page at a time, when they could have been more efficiently done, Mr. Speaker.

Let's hide behind petitions for probably 22 hours . . . 20 hours, pardon me, of petitions. Let's hide behind those petitions and then we don't have to really analyse this Bill, we don't really have to talk about this Bill, we don't

really have to come up with an alternative because we can hide behind petitions for 20 hours; we can hide behind bell-ringing for 22 hours; we can shut this place down in the middle of the day and say, we just want to go home.

Well, Mr. Speaker, "we just want to go home" is not good enough for the people of Saskatchewan. The people of Saskatchewan are far too wise, far too shrewd, and love this province far too much to be sucked in by what the NDP have been doing.

Mr. Speaker, this House did come to an impasse about, oh, a week or 10 days ago when it became obvious to all that something was amiss here. It wasn't getting debated; there were strange things happening here. So, Mr. Speaker, the government chose to take a different course of action and say, well let's just go strictly to the Bill. Let's debate the Bill.

We have not heard satisfactory analysis in my view from the opposition as of yet. But, Mr. Speaker, there's been plenty of opportunity — 22 hours of bell-ringing, 20 hours of petition, quitting half way during the day, all these types of things, Mr. Speaker.

And I am challenging the opposition today. I am challenging them to come clean with an alternative. Come clean with an alternative. Don't be like that salesman that just said, sign on the bottom line. Bring out your product. Show us. Show us what you really do. And, Mr. Speaker, I challenge them to do that.

I challenge them to stand up in the next short while, Mr. Speaker, and really let the people of Saskatchewan know what they may do. And, Mr. Speaker, some of the alternatives, some of the alternatives to me are very, very scary indeed. Very scary alternatives, Mr. Speaker.

One alternative may be . . . We don't have a monopoly on brain power. There's more than one way to skin a cat, but let's get an alternative. And would that be to raise income tax? Would that be fair to those out there who are doing the working and the paying, to say we're going to nip you a little more with income tax, 15 or 20 per cent? No, sir. No, sir. That would not be fair.

Would it be fair, Mr. Speaker, to say, well let's put a payroll tax on like they do in Manitoba? Would that be fair, Mr. Speaker? I don't think it would. Would it be fair to resurrect inheritance taxes? I don't think that would be fair. I don't think that would be fair at all, Mr. Speaker. But those are real alternatives. Payroll taxes, income taxes, death taxes.

I don't know what else they may come up with. Maybe a land tax. Maybe there would be a tax if you owned so much land. That would be sort of a socialist philosophy, I think. If you owned so much land, well maybe just tack on some there. Maybe so much per acre. I don't know. Or would the alternative, Mr. Speaker, be simply to let that old deficit rise like they did in Ontario? And, Mr. Speaker, there's a really good example. There's a really good example of a party coming to power with no definite plan.

So let us examine just for a minute or two how socialists in

the province of Ontario manage just on a day-to-day basis. They said, well just elect us. We don't have to give you a plan. They get in there, Mr. Speaker. It's utter chaos in Ontario. Businesses are leaving. Businesses like The Bay. Businesses like Zellers. Businesses like a major tire manufacturer. They're saying, only after six months of NDP, no definitive plan, they're saying, we're out of here.

Well, Mr. Speaker, I'll tell you the people of Ontario are pretty worried about that, and I don't blame them. In fact I think it's almost to the point of being a national embarrassment, a national embarrassment, Mr. Speaker. And you know what I'm hoping for, Mr. Speaker, and I say today on behalf of the people of Saskatchewan, I plead with those businesses, Mr. Speaker, if you're leaving Ontario, come to Saskatchewan. We've got good values here, Mr. Speaker, good work ethic . . .

Some Hon. Members: Hear, hear!

(1615)

Hon. Mr. Hodgins: — And, Mr. Speaker, we are open for business here and this Conservative government expects that to stay for a long, long time.

Mr. Speaker, I have challenged the opposition to debate this Bill, to come up with alternatives. I say that there has been plenty of opportunity given. And today, Mr. Speaker, after very thorough and careful consideration, very careful consideration, Mr. Speaker, I have come to the realization, come to the realization, Mr. Speaker, that this Bill will pass this legislature.

And, Mr. Speaker, it's taken a long time. The Bill was first introduced in this legislature on April 15. What's today, Mr. Speaker? We're talking about June 3 or 4 — that's just about eight weeks. Eight weeks this Bill has been under debate in this legislature in one form or another.

Sometimes strange forms, strange forms of debate — bell-rings, petitions, quorum calls, motions, hiding under the guise of committee reports — in one way or another this Bill has been debated, Mr. Speaker, for some time.

At a given point in time, Mr. Speaker, I, as Government House Leader, on behalf of my colleagues from all over Saskatchewan, must come to a decision. We've heard radical statements by members opposite that this Bill will never pass; this Bill will never be debated; we're not going to tell you our plan today; we have no plan as it stands now. These are all quotations from the members opposite.

Mr. Speaker, I have tried as best I can in running this Assembly — and I have a big obligation and a responsibility to do that — I've tried my very best to have reasoned debate, to challenge members opposite to come up with their views. I've been successful only in part.

And, Mr. Speaker, today after giving careful consideration to the alternatives and the options before me as House Leader, I can only after analysing it, Mr. Speaker, reach one conclusion. And that is, Mr. Speaker,

that a challenge must be made to the opposition to stand up, give us your plan.

And, Mr. Speaker, I do that with some reluctance as to using the rules of this Assembly in what may be perceived by some as a heavy-handed and harsh way. And, Mr. Speaker, I assure you that this is a last resort. This is a strategy that has been developed only with little or no option, Mr. Speaker. And, accordingly, Mr. Speaker, I am giving notice today of closure, Mr. Speaker.

And, Mr. Speaker, I give notice, pursuant to rule 31, that at the next sitting of the Assembly, immediately before the orders of the day is called for resuming debate on the motion, for second reading of Bill No. 61, an Act to amend The Education and Health Tax Act, and any amendments thereto, that I will move that the said debate be not further adjourned.

Mr. Speaker, that's not choking debate. There's been plenty of opportunity and there will be plenty of opportunity tomorrow. And, Mr. Speaker, I'm challenging members opposite tomorrow in the time allotted to stand up and be counted. And in a succinct way let's cut away all of the time wasting, Mr. Speaker. Let's delve directly into the issue.

Let's stand here as elected men and women with a conscience, and stand up and say really what the opposition may do, really what the alternative would be. I challenge members opposite to cut away the political rhetoric, cut away the political rhetoric, and, Mr. Speaker, in 15 or 20 minutes every one of them is capable enough . . . and I'm not certain of that, but I think they are capable enough to stand up and give us a succinct view of what NDP plan might be.

And, Mr. Speaker, it'll be an important day for the people of Saskatchewan. And I ask the people of Saskatchewan to pay specific notice to tomorrow's debate, where it will be an opportunity for members opposite to stand up and say, yes, we don't like this tax but here's an alternative. Give us a choice, Mr. Speaker. Be fair to the people of Saskatchewan. And I challenge members opposite to do that, Mr. Speaker.

As I say, I, with some reluctance, make this motion. I feel strongly that it is a necessary course of action and an opportunity for members opposite to stand in their place.

Mr. Speaker, it's a pleasure for me to have had an opportunity to enter into this debate. I want you to know that I am absolutely, in the circumstances, opposed to the amendment. I have spoken in favour of the Bill, and I challenge members opposite to stand up in their place and do the same. Give us your real views. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — I recognize the hon. member for Saskatoon Fairview. Prior to the member from Fairview, I see that the member for Cut Knife-Lloydminster has an interjection.

Mr. Hopfner: — Thank you, Mr. Speaker. With leave I'd

like to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Hopfner: — I'd like to thank the members of the Legislative Assembly. Mr. Speaker, it's my pleasure to introduce to you and through you to all members of the Assembly, 10 young people from Sweet Grass School from Gallivan, Saskatchewan. They're here to visit and tour the Assembly, Mr. Speaker, and I hope that what they see and hear will give them some forum of what democracy is all about.

I'd also like to say, Mr. Speaker, that they're accompanied by their teacher Ada Gott and chaperon Alice Weenie. I will be meeting with them, Mr. Speaker, for refreshments and pictures, and I'd like all members of the Assembly to please help me welcome these young people to this Assembly.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 61 (continued)

Mr. Mitchell: — Thank you, Mr. Speaker, thank you very much. I look across the House, Mr. Speaker, at the House Leader, at the Government House Leader and I think that he finally must be satisfied. I think he finally was able to do today what he's been telling the press and others he intended to do from about the time that this Bill was tabled.

Mr. Speaker, we had barely begun debate on this Bill when the House Leader, standing in the corridor in this building, was telling the press how he wouldn't tolerate any extended debate on this Bill and that he was prepared to do what he had to do in order to limit the debate and to stop it.

And indeed I want to just remind you, Mr. Speaker, and the House and the people of Saskatchewan that what the fight was about here was not Bill 61 *per se*. What the fight was about here was our right to debate Bill 61 and to lay on the record the basis on which we oppose Bill 61.

I make that point, Mr. Speaker, because the House Leader in his presentation that he's just completed, talked about the fact that the rules of this House had been used to full advantage, that we had introduced all those petitions. And in fact, Mr. Speaker, that whole process, as the House Leader well knows, was undertaken because of his attempt to introduce a time allocation motion that would have limited debate on this Bill.

The point is simply that he's been trying to limit debate on this Bill ever since the Bill was introduced and finally today he's accomplished it. Now we had to sit here for a few days and listen to a few of the members on this side of the House lay on the record their basis of opposition but he finally was able to stand up today and say: no more

debate on this Bill. We don't want the people of Saskatchewan to continue to hear the problems with this tax and the devastation that it will bring to the economy of this province, and the job loss that it will bring to this province.

He's decided. He's decided, Mr. Speaker, as he did right at the beginning that debate on this Bill is not going to be allowed, that debate on this Bill is going to be curtailed. So as I say, he has a look of satisfaction about him today because today he has finally accomplished what he wanted to accomplish and sought to accomplish from the very beginning.

There is no need. There is no need to limit our right to debate this Bill, Mr. Speaker. There is no need to do that. We're here. We're here on our own nickel. We're not being paid for our attendance at this House, Mr. Speaker. We're not being paid our expenses. We're here because we think this Bill is important. We think that the opposition to this Bill is extremely important.

The Speaker: — Order, order. There are a couple of members, and especially one, especially one who is extremely anxious to get into the debate. If he'll be patient, he's going to have that opportunity from what I understand, from what I've just heard, in a fairly short period of time. I ask him to just be patient.

Mr. Mitchell: — Thank you, Mr. Speaker. The point that I was making was that we've got lots of time. We're here in June. The crops are in the ground. There's nothing urgent happening that requires this legislature to move . . . to finish up its work and for us to go on our summer holidays. We can continue to stay here and thoroughly canvass this Bill. And it is our obligation to do that, Mr. Speaker. I mean we're not here debating some trivial piece of legislation of interest only to a particular slice of the population. We're here debating a Bill that has impact on everybody. And the level of opposition, Mr. Speaker, is staggering.

As my leader said today on introducing the petitions to you, Mr. Speaker, 120,000 people have paused in their daily activity to take a pen in hand and to sign the petition — 120,000 people. Now that's a lot of people, Mr. Speaker. That's a lot of people in a province like this. How many adult people would be resident in this province — 600,000? If it were 600,000, then fully 20 per cent of the population signed that petition. Never before, never before have we seen that level of recorded opposition in the history of this province.

We thought it was remarkable when the petitions against your plan, the government's plan to privatize SaskEnergy was before this House. We thought it remarkable that 100,000 people, more or less, had signed that petition. That was by far the largest number of people that had ever signed such a petition.

But now in this case, in the course of just a few short weeks, 120,000 people have signed the petition. And as I speak here today, others are signing similar petitions. The opposition goes on.

And there's no need for the Government House Leader,

acting on behalf of the government, to say that's enough debate. The opposition of the people of this province to this plan to levy this massive tax ought to be given a full opportunity to allow the people's opposition to be fully expressed in this House.

Somehow or another, somehow or another the depths, the length, and the breadth of the opposition of the people of Saskatchewan to this tax has to be brought home to the government, Mr. Speaker. Somehow or another it has to penetrate their understanding that the people have just had enough; that the people think that this additional tax is beyond their means to pay. It's an unfair burden upon them and their pocket-books and their ability to manage their lives and we just simply can't go ahead with it.

Now how can they reach this group opposite? Well they've tried with their petitions. We're trying to do it in expressing our opposition to the Bill. We've had the clearest kind of public exposition, public indication, of the people's attitude towards this government by the polls that were taken yesterday. Now how much evidence does this government need to understand that it is a tragic mistake, quite a wrong thing to do, to proceed with this particular piece of legislation.

We've tried everything we can think of over here. We continue to try and we will try for as long as the law permits us to do so, as long as the rules of this House permit us to do so. But somehow we haven't yet managed to pull it off and it was rather discouraging to hear the House Leader make the kind of heated remarks that he made today, indicating firmly that the government intends to go ahead with this Bill notwithstanding this unprecedented level of opposition.

(1630)

And it was further disheartening to find him standing in his place and finally realizing his plan to stop debate on this thing, and to ram it through this House regardless of what the people of this province think about it.

Rather than invoking closure, Mr. Speaker, I say again one more time: what the government here ought to be doing is to take this plan of theirs, take this plan and lay it before the people of Saskatchewan in the time-honoured way and say to the people of Saskatchewan: what do you think about this plan? What do you think about this plan to in effect double the federal GST? To take the hated federal GST and to put beside it a precise twin — the PST. What do you think about that, people of Saskatchewan. Well that as I say is the time-honoured way. Democratic governments all over the world have traditionally and invariably taken major plans like that to the electorate.

When the people of Saskatchewan, Mr. Speaker, when the people of Saskatchewan voted in 1986 it did not understand that it was voting for a 7 per cent value added tax that we've been referring to as the PST in this House. It did not understand that. The people of Saskatchewan understood, Mr. Speaker, that this was a government who was dedicated to lowering that tax. And in fact that this was a political party that was dedicated to eliminating that tax. That was their understanding of the situation.

And, Mr. Speaker, in the fifth year of its mandate, in the face of all this public opposition, with the reality of a political support that is apparently practically collapsed, I submit that this government has no right to bring this piece of legislation before this House and to ram it through and to make it law.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — Now I want to just deal with another matter that the Government House Leader raised, and that was a question of whether or not the business community understand this tax. And the way he put it, Mr. Speaker, was that he indicated we had done something wrong in not explaining to the business people the full nature of this tax, and some of the supposed benefits of it. And I want the House Leader to know, Mr. Speaker, that the business people of this province understand that tax very, very well indeed.

We have met, we on this side of the House, have met with many of them. We've met with their associations, hundreds of business people have met with us in Regina and in Saskatoon and in other places across this province. And they understand precisely how this tax is going to work. They understand precisely how the input tax credits are going to work. They understand precisely what are the reporting requirements under the GST and under the E&H (education and health) tax.

None of this is news to them. And they are opposed, Mr. Speaker. They are opposed. And like all these other groups, they have tried everything they can think of to bring home to this government the depth and the length and the breadth of their opposition, but apparently to no effect at all.

One of the arguments, one of the really fundamental arguments against the value added tax deserves to be recalled, Mr. Speaker, and reviewed. And I intend to speak to that in the time remaining to me this afternoon. And then I intend to go back to a theme that I discussed yesterday in the rule 16 debate concerning the effect that this will have on the economy and the loss of jobs that will follow from it.

Dealing with the first aspect of it, there is no question at all that a tax on consumption paid by consumers such as the value added taxes that are in effect in Ottawa, and is the subject of this Bill, is a regressive tax.

Now, Mr. Speaker, a regressive tax is one that just simply doesn't take into account the ability of the person paying the tax to pay. We have been trying in this country for decades, Mr. Speaker, for generations, we have been trying to devise a tax system that will be fair and equitable and just. That's been the purpose of our national governments and that has been the stated purpose of all of our provincial governments. And the government opposite professes that fairness and equity is one of the principles that guide their decisions with respect to the kinds of taxes that we have to pay in Saskatchewan.

My point is simply that this kind of a tax, the PST, is a consumption tax and is not progressive; it is regressive. It does not take into account the ability of the people who

have to pay the tax to actually pay it. It does not . . . In that respect, Mr. Speaker, it is not equitable, it is not just, and it is not fair. And for those reasons it violates the government's own criteria, the government's own criteria for what a tax system should be shaped like.

The point can be put this way. Let's just take some concrete examples. Let us say that a person has to buy a jacket and goes to a clothing store in order to buy the jacket and finds, on buying the jacket, that he has to pay the GST of 7 per cent and now the PST of 7 per cent. Now that's 14 per cent and that . . . 14 per cent of the price of the jacket. And if the jacket is a \$50 jacket, that means a \$7 tax.

Now the person has to pay that tax, Mr. Speaker, whether that person has an annual income of say \$10,000 — say a minimum wage earner with an income of \$10,000 — or whether that person is an executive in a large corporation and earns \$200,000. The amount of tax that has to be paid is exactly the same.

Similarly, when that person goes to get a haircut, the GST and now the PST have to be paid on the haircut. Six months ago they didn't have to do that, but now they're going to have to pay them both. The tax on that haircut has to be paid by everyone regardless of whether they have any income or a low income or a very large income.

Now I'm painting this with some degree of simplicity and detail because I want to be sure that it doesn't sail over the head of the members opposite. I want to be sure that they're able to understand it.

Similarly, when you go to a bookstore and buy books, you've got to pay the the same GST and PST regardless of your ability to pay. And the point — and I'm now repeating myself, but I really want to be certain that the House grasps this — the point is that everyone concedes these consumption taxes, these consumer taxes are not progressive; that they are regressive, that they are not fair and are not just and are not equitable because they do not take into account the principle of ability to pay. And I repeat again that that has been a central principle to the designing of all of our tax regimes in Canada for generations — for generations.

And this sudden preoccupation in Canada by the Tory government in Ottawa and the Tory government in Regina, this preoccupation with a value added consumer tax is not fair and is not just and is not equitable and, Mr. Speaker, is not consistent with the basic principle upon which we've been designing our tax regimes in Canada at the federal level and in all the provinces for generations. So it is out of step and wrong and it is not the direction in which we should be going.

Now I want to refer, Mr. Speaker, to a very interesting presentation that was made to the standing committee of the House of Commons, the Standing Committee on Finance, with respect to the GST. And I think it relevant, Mr. Speaker, because what we're talking about here is the twin of the GST, the same tax imposed again by a different level of government.

This submission was made by the senior citizens'

organizations of Ontario, the Ontario Coalition of Senior Citizens' Organizations, and was made to the House of Commons standing committee in September of 1989. Now there are dozens of submissions like this, but I chose this one because it's the first one that I came across in my files. And I just want to refer to that.

Their first point, the first point of the senior organizations to the standing committee, Mr. Speaker, was that consumption taxes are regressive. That's the heading for this section. And they make the point there, the point that I've just stated, that Canada's tax system has attempted to operate on the basis of ability to pay. And they make the following statement:

This progressive system of tax collection pursues the goal of equity and a reasonable redistribution of the nation's wealth among all its citizens.

And I continue to quote, Mr. Speaker, from page 2 of this submission:

Consumption taxes like the proposed Goods and Services Tax, while always a component of Canada's overall tax system, do not reflect an individual's ability to pay and are, therefore, regressive.

And goes on to make the point that even the refundable tax credits don't cure the problem, the problem of the regressivity of the tax and the fact that it is not based upon ability to pay but continues to exist and is not dealt with and not disposed of by the tax credit system.

They make a comparison in this brief between families earning 50,000 and families earning \$10,000 annually. They quote the National Council on Welfare in a study in 1987 as calculating the amounts spent by these families on food, clothing, and shelter.

Now those items, Mr. Speaker, are to a large extent subject to the kind of taxes that we're talking about. The family earning \$50,000 a year spends an average of 33 per cent annually on those items. The low income family spends an average of 57 per cent of its income on food, clothing, and shelter.

And that illustrates very clearly the fact that the weight of this tax, the weight of this PST falls disproportionately, falls almost doubly on the family earning \$10,000 a year as compared to the family earning \$50,000 a year. And the senior citizens' organizations in Ontario made this argument as a centre-piece of their opposition to the GST. And I cite that to members opposite as support for the argument that I made that this tax is a wrong tax.

They make the further point that I want to note parenthetically, Mr. Speaker, that the federal government has increased sales taxes, consumption taxes, by 67 per cent since they started to reform the tax system — 67 per cent in the name of tax reform while the progressive income tax system has been increased by 46 per cent, and the corporate tax system, which is also progressive to an extent, has been increased by only 21 per cent.

The federal government, in the opinion of the senior

citizens' organization, is going exactly the wrong way in its focus upon the consumption tax which we call the GST. This government is going in precisely the wrong way in seeking to raise its additional revenues through the mechanism of a consumption tax. That's the point that I want to make.

And with that I now want to turn to my second point which I had begun to discuss yesterday in the 10 minutes available to me in the rule 16 debate. And it is simply this — that the impact of this tax on the economy will not be what the government says it will be. The impact of this tax on the economy will be precisely the opposite. It will force businesses out of existence. It will force businesses into closure, into bankruptcy, and will result in the loss of employment and a decrease in the amount of economic activity.

And as I started to say yesterday, Mr. Speaker, I don't understand why this point is not accepted by the government. How else could it be? How else could it work when a government reaches down as this government is doing with this PST and grabs \$440 million, Mr. Speaker, out of the economy of the province. Just reaches down and grabs it. How can that help but depress the economy? It means that \$440 million that otherwise would be available to be spent on what people spend money on, various kinds of goods and services, it can't be used to buy those goods and services. Rather, it has to go to the tax. And that tax goes to the government.

(1645)

And as my colleague says, are they spending it wisely? Indeed they're not. But it's just pulled right out of the economy and taken into government coffers, and it's not available to the economy, Mr. Speaker, to circulate in the way that money does in the economy, to buy goods and to buy services. And the seller of those goods and services to have the money to in turn buy other goods and services and circulate the money in the communities and create economic activity.

Now the government says, oh, but yes, we're going to be returning \$260 million of that \$440 million in the form of input tax credits. And I can appreciate that point. I mean, that is to say I understand it. But what does that mean? That means that the relatively small number of large businesses in this province who have significant material that they have to buy, that they have to bring into their plant in order to produce the product that they sell, are going to be able to take advantage of that.

I can understand that, and in many ways that's not a totally bad idea. But my point is that it doesn't fall fairly on the economy. It doesn't fall fairly on the economy. It's all right for those people, but what about the restaurant owner in Saskatoon who has relatively few of those kinds of inputs, whose value added is mostly in the preparation of the food and in the serving of the food and in the providing of the surroundings and the atmosphere and the good staff and all those things, whose main expense is wages, wages and benefits of employees, and therefore who can't recover as much from the business inputs credits as the first kind of employer that I was talking about.

What about that restaurant owner? Let me tell you, Mr. Speaker, and the members opposite, that the restaurant owner in Saskatoon who is given the argument that he's got the advantage of all these business tax inputs, just laughs. Just simply laughs. Because as far as he's concerned, it is some kind of a joke. It's not going to save his business at all. It's not going to even help his business in any significant way.

The impact of the tax so far as that restaurant owner is concerned is that people are not coming to his restaurant in the same numbers as previously. And the numbers are quite startling, Mr. Speaker, quite dramatic. The drop in patronage in the restaurants in Saskatoon may be in the order of 30 per cent, may be in the order of 30 per cent over the past few months.

Well this is causing devastation among those businesses in my city. And I know the same situation exists in Regina. And I'm certain that it exists in every city, town, and village in this province.

Now I challenge the Minister of Finance and the House Leader, who are trying to challenge us in respect to explaining this tax, to go out and explain to the restaurant owners in all of the centres in this province as to why this tax is a good thing as far as they're concerned.

Tell the restaurant owners that this is going to create employment. Tell the restaurant owners that this is going to increase their economic activity and their business and be good for them and they'll be able to expand. Poppycock! It's not good for them at all. It's a total disaster as far as they're concerned.

Now I understand, Mr. Speaker, that the government opposite is in desperate shape so far as its finances are concerned. The reasons why it's in that kind of shape are complex and interesting, but it can be boiled down to a few simple points. And they were made by my colleague, my friend from Saskatoon South, earlier today. You just can't spend what you haven't got. That's what it comes down to.

And that's what it was in 1982-83, the first year in which the government opposite was in power. They spent more than they got. They spent more than they brought in.

Well the first year they're just getting used to it; they don't know how it works yet. They've got ringing in their ears the Premier's idea that you could mismanage the Saskatchewan economy and still run a surplus. They got that ringing in their ears, so no cause for alarm.

But lo and behold, in the second year there's a deficit and it's a little worse than it was in the first year. And in the third year it's a little worse than it was in the second. And on and on it goes. And here we are today, facing a deficit on the operating side, of \$5.2 billion.

And as I said earlier in this House on another occasion, that's \$500 million a year in interest. And if you could have that back, Mr. Speaker, if my friends opposite could have that back, then they wouldn't be here asking for a huge tax grab like this. They wouldn't have to be here

asking to place this tax burden on the people. They'd have enough money to do it just by the interest alone on the debt that they've racked up — just by the interest alone.

So I think it perfectly plain, and I think those opposite who are fair about this question would admit that it's a problem of their own making. And I say, Mr. Speaker, to members opposite, it must be a problem that you will have to resolve. Don't turn to the Saskatchewan people and ask them to pay money that they haven't got, to pay money that they can't afford to pay in order to partially rescue you from a financial dilemma that you yourself created. Don't ask them to do that because that's not fair and that's not just and that's not equitable.

Look to yourselves, as my leader and others on this side of the House have said, clearly, surely \$4.5 billion in expenditures is enough. Surely in this province of 1 million people, with about 360,000 taxpayers, we can find a way to get along on \$4.5 billion. I mean if that's not enough in 1991, then how much would be enough? Surely we can reorder our priorities in this province. Surely we can organize the business of government and public administration so that the government of this province can provide the services it provides and provide it within the total of \$4.5 billion.

It's not a question, it's not a question of saying, if we can't soak the people with the PST, how else can we soak the people? That's not the question. The people are already being soaked as thoroughly as they can stand to be soaked. What we have to do is to be more fair with the people and to spend the people's money with a sense of responsibility and a level of competence that will result in being able to afford to support our farmers through a crisis, and being able to provide decent health care, being able to support the K to 12 education system, being able to provide universities and technical schools that will provide our children with the kind of skills that they need to make it in their careers as they train themselves for the work world. Surely we can do all of that within a total budget of \$4.5 billion.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — And when I say, Mr. Speaker, that this government is soaking the people, that's the only way in which you can describe it. You talk about a grab for \$440 million in a consumption tax that pays no attention to the principles of fairness or equity or justice in the tax system but just reaches down and grabs for \$440 million. That's soaking the people. That's soaking the people. And it takes a lot of nerve for the government to stand up and say — which is what they're doing — well that's how we plan to soak the people; what's your plan for soaking the people? Our answer is that we don't intend to soak the people. The people are already being soaked enough. The people are already being soaked enough.

Now the Government House Leader asks us, what is our plan, what is our definite plan? I'll tell, Mr. Speaker, what our definite plan is. Our definite plan is to help the people of this province kick out the Tories. That's our definite plan.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — That's our definite plan, and as best we can tell to this date, in every corner of this province, the people of Saskatchewan understand our plan and approve our plan and are supporting of us in our plan. And that's the plan that we intend to follow, Mr. Speaker, and that's the plan that we intend to produce.

It's not a question of us sitting down and writing up a new idea for soaking people and forcing them to pay taxes that they can't afford to pay. That's ridiculous. That's ridiculous. That looks in exactly the wrong direction.

And it must be an embarrassment for this government to come before this House and to ask us to approve this kind of a tax.

As I said, Mr. Speaker, they created this situation. They allowed Saskatchewan to drift into the position where we've got this kind of a deficit. They've done that in a financial regime that requires us to pay large interest on that \$5.2 billion to the tune of at least \$500 million in this fiscal year.

Were it not for that, if this whole situation had been handled properly, if we had been living within our means in the last nine years, we wouldn't be here debating this Bill. I wouldn't be standing here making this speech. We would be able to support agriculture. We'd have money left over. We'd be able to give the universities what they need in order to just provide a decent level of education for our own children — for our own children, Mr. Speaker, who we want to prepare to take their places in a technological and difficult world where the emphasis is on education, where if you don't have education you're just not going to go anywhere.

We have to be able to support these institutions. I understand that. But this government has created its own problem and it must be an embarrassment for it to come in here now and ask us to approve a plan to soak the people and require the people to pay money that the people just simply can't afford to pay, don't have the money to pay, don't have room within their budgets to pay.

I'm proud to represent a constituency, Mr. Speaker, of working men and women in Saskatoon. These people that I represent are, like all wage-earners everywhere, people that don't have a lot of excess income. Pretty much all of their pay cheque is taken up just in this business of living and in providing shelter for themselves and their children and for providing food and clothing for their children and a certain amount of entertainment. But these are modest life-styles. These are good, honest, hard-working people who don't have a lot of spare cash.

When the federal government comes along, as it did in January, and says to the people who live in my constituency, you have to pay another 7 per cent on a whole variety of goods and services, on a wide, wide variety, that's tough medicine. That 7 per cent doesn't come out of any discretionary income that these families have. That 7 per cent comes out of money that they were spending on something else.

Now that shock hit them in January and they tried to absorb it. And I suspect they're still trying to absorb it. But then the Minister of Finance comes along. The Minister of Finance comes along in February and he lands another 7 per cent on them and hits them in an area that is close to them — children's clothes, books. Every time they take the kids to McDonald's, they've got to pony up another 7 per cent, another 14 per cent in total.

Now that 14 per cent, Mr. Speaker, that 14 per cent does not come out of what I call discretionary income. It's not like they had that 14 per cent and they were saving it and now they're not able to save it any more.

The Speaker: — It being 5 o'clock, the House stands adjourned until tomorrow at 2 p.m.

The Assembly adjourned at 5 p.m.