

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Tchorzewski: — Thank you, Mr. Speaker, for giving me the opportunity to perform a task that I find to be of great pleasure, and that is introducing some good-looking students in the east gallery and there is many of them. They are a grade 4 class from St. Theresa School in the Regina North East constituency, and they are here to watch the proceedings of the legislature. I believe they're on a whole day outing. I saw them walking through the park a little while ago.

And I want to also point out that they are accompanied by their teachers, Edith Seiferling and Elaine Pack. I taught with Elaine Pack, so it's especially nice to be able to see her here today. I want to ask the members of the House to join me in welcoming these students and these teachers.

And I want to indicate to them that at 2:30 after question period I'll be meeting with them for pictures and some drinks and answering any questions that they may have. So please join me in welcoming these students here today.

Hon. Members: Hear, hear!

Mr. Lingenfelter: — Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly, a group of students, grade 4 and 5 from the Wascana School in the Elphinstone constituency who are seated in the Speaker's gallery. They're with us here today with their teacher, Karen Olsen, and bus driver, Faith Leon.

I know all members will want to join with me as well, another group from the same school seated in the east gallery, 25 students from the grade 5 and 6 class. They're here with their teacher Karen Howard. I look forward to joining with them after question period and I'm sure all members will join with me in welcoming them here.

Hon. Members: Hear, hear!

Mr. Lyons: — Thank you very much, Mr. Speaker. Mr. Speaker, I too would like to join with my colleague from Regina Elphinstone, welcoming the students here from Wascana School. In particular I would like to recognize an individual who is very special to myself and to his mother, and that's my son, Dylan, who is over there sitting in your east gallery. And I wish him and his whole class a successful day, and I'll probably be joining him . . . I'll be joining the class to answer all the questions that Mr. Lingenfelter can't answer. I'd ask all members to welcome them here today.

Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Thank you, Mr. Speaker. It's a pleasure for me today to introduce through you and to you to the Legislative Assembly, 65 students from my

home town of Hudson Bay.

They're here today on a tour. They're here for a couple days to see the city, to go through a lot of the fine, different things they're going to see here within the city. They're going to be staying at the YMCA, I believe — some of them are anyway.

Along with them today is their teachers, Garry Hein, Blain Emerson. Also chaperons, Emily Lundeen, Elvina Rumak, Ms. Gislison, and Cindy Didula, all here from the town of Hudson Bay and surrounding area.

And also along with them today, Mr. Speaker, I would like to say that my grandson, Jason Parkman, is also with them. He's accompanied them here today. We was the boy, as you know, a few years ago got severely burnt. Such a great job was done at the University of Saskatoon with him that he just turned out really fine.

So I'm very happy to have him here today with us. And I'd like to ask . . . I just want to make mention also that you know where Hudson Bay is, in the valley, the Red Deer valley, the great North East. It's nice to have them down here, but we certainly enjoy our part of the world and I know they'll enjoy their visit here. And I ask all members to join with me in welcoming this group from Hudson Bay, the grade 7 students from Stewart Hawke School in Hudson Bay, to Regina.

Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I just want to rise briefly also to join the member from Kelsey-Tisdale in bringing greetings to the students from Hudson Bay. Hudson Bay is my home town as well. I went to school in Hudson Bay. And it is always exciting to have students from one's home-town community visit, and I just wanted to say hello to them and also bring greetings, and wish them a worthwhile and enjoyable experience while they're visiting in the city of Regina.

Hon. Members: Hear, hear!

Hon. Mr. Martin: — Mr. Speaker, I'm speaking as responsible for the Public Service Commission. I've had the pleasure in the past year and a half or so to introduce to you and other members of the House, members of the public service, the civil servants of Saskatchewan, on their ongoing tour. The protocol department has set up a tour system where the civil servants come into the Legislative Building and have an opportunity to see how this building operates; get a better feel for the operation.

So, Mr. Speaker, it's my pleasure today to introduce to you 37 members of our public service of professionals who work for the people of this province. There are seven departments represented, Mr. Speaker — the Department of Highways and Transportation, Rural Development, Finance, Justice, Social Services, SPMC (Saskatchewan Property Management Corporation), and Agriculture and Food. Mr. Speaker, they are in your gallery. I ask all members to join with me and welcome them here today.

Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. I want to join the minister opposite in welcoming the good number of Saskatchewan's finest public servants to the Legislative Chamber. I hope they enjoy the proceedings and wish them all the best in the future.

Hon. Members: Hear, hear!

Mr. Thompson: — Thank you very much, Mr. Speaker. I would like to introduce to you and to the members of the House, a number of northern mayors that are seated in your galleries today. I see there's the mayor of Buffalo Narrows, Pinehouse, Bear Creek, La Loche, Ile-a-la-Crosse, and two town managers. And I would just like all the members to welcome the mayors and the town managers here today.

Hon. Members: Hear, hear!

Hon. Mr. Wolfe: — Thank you, Mr. Speaker. I'd just like to take this opportunity to, on behalf of the Government of Saskatchewan, welcome the northern mayors to the legislature. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Costs of Decentralization of Department of Agriculture and Food

Mr. Tchorzewski: — My question, Mr. Speaker, is directed to the Premier, the Minister of Agriculture, and it deals with the Premier's attempt to hide certain very important information from the public of Saskatchewan.

Mr. Premier, today's *Leader-Post* reports that the information you supplied to the people of this province about the decentralization of your department, was not factual. Internal studies disclosed today estimate that the cost to move jobs in the Department of Agriculture to be \$36,000 an employee, and not the 8 to \$12,000 which you stated when you made the announcement.

To the public and to this Assembly, Mr. Speaker, Mr. Premier, this is very serious. My question to you is: why did you give the people of Saskatchewan and this Assembly the wrong facts? Why did you do that, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, as I've said many times in here, we've had the opportunity over the last five to six years to examine the costs in detail of moving people from several departments to several communities. And we have all the moves, and we have it all documented. And the people who have gone to Melville from the Crop Insurance Corporation have all their costs in there, and the government handles that as it does.

About 200 people per year move, Mr. Speaker, in Saskatchewan — 200 people, civil servants, move every year. And they've been moving that way year after year after year. We know exactly, Mr. Speaker. We know

exactly. And all governments across the country know what it costs to move people from one place to another because they do. They move them in the RCMP (Royal Canadian Mounted Police), in the federal government; they move them in the Canadian forces; they move them in the Department of Agriculture; they move them in the Department of Environment.

Mr. Speaker, we move them all of the time, and about 200 people move every year. So if that's the case, Mr. Speaker, we have ample evidence of what it costs. And we say, and we can show, Mr. Speaker, that it's 8 to \$12,000 per year.

An Hon. Member: — Eight to 12 per person.

Hon. Mr. Devine: — And the total bill, the total bill, Mr. Speaker, if it's 8 to \$12,000 per person, will depend on how many people move. That's it. If you say everybody's going to move and you made that assumption, Mr. Speaker, then it's higher than if 50 per cent of the people move, and the hon. member knows that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question to the same minister, the Premier, the Minister of Agriculture.

Mr. Premier, we're talking about the moves you're proposing to make now, and we're talking about the moves you're proposing to make in the department for which you are responsible. You're saying that the costs will be 8 to \$12,000 an employee. The fact that you're saying it, Mr. Premier, does not make it a fact. What is a fact and what is undisputable is that the internal studies by your very own department say that the cost is much higher, and that is documented. That is documented, Mr. Premier. And I want to say to you that the people of Saskatchewan have a right to know.

That being the case, why then in the face of what you knew since you hired these people who prepared the report — and you surely must have faith in them — in the face of what you knew, Mr. Premier, why did you say to the public of Saskatchewan something entirely different?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we've had . . . Mr. Speaker, the hon. member has now got a hold of . . . and the media does or somebody does, he gets a hold of some leaked internal documents, Mr. Speaker. We take all of our research and all of the moves we've had.

And the hon. member, to be fair, has had every opportunity in the last five years to go through every one of the decentralizations we've had. He's had a chance to say and ask the question: what about ACS (Agricultural Credit Corporation of Saskatchewan) to Swift Current? And there was no questions. And the hon. member's on the record, Mr. Speaker, of saying, when he was from Humboldt, it would be a good idea to decentralize a little bit more.

Today, Mr. Speaker, we see in *The Western Producer*, seven out of nine Wheat Pool committee members saying it's a very good idea to decentralize the Department of

Agriculture out to Humboldt and area. In fact, "August Faul, a pool member for 56 years, was enthusiastic about the move," Mr. Speaker. He says, and I quote:

I think it's a real good idea. This is an agricultural area so why shouldn't we get some of the agricultural benefits (here)?

End of quote, Mr. Speaker. Wheat Pool delegates are saying it. We have a history of the information, Mr. Speaker. It's easy to defend in that regard, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question to the same minister, the Premier, Mr. Speaker. And it continues to deal with the matter of the Premier not providing the correct information to this Assembly.

Mr. Premier, I remind you of something very important and that is that this Assembly has some severe restrictions about members who say something they know is not to be true in this House. It is called misleading this Assembly deliberately.

Mr. Premier, in view of what has taken place and what you have said, will you now apologize to this Assembly and to the public of Saskatchewan for deliberately misleading this Assembly, Mr. Premier?

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Order. The member from Regina North East, in putting his question, indicated that the member has deliberately misled the House.

Some Hon. Members: Hear, hear!

The Speaker: — It is an unparliamentary remark which we have not allowed in the House and I therefore ask the hon. member to withdraw and apologize.

Mr. Tchorzewski: — Mr. Speaker, you're correct it is unparliamentary. I therefore withdraw. And I also would indicate that I do so, Mr. Speaker, that I serve notice that we will be raising this issue under orders of the day later today.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, let me say, Mr. Speaker . . .

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

Hon. Mr. Devine: — Mr. Speaker, isn't it something that the opposition can't argue it on principle because they don't have a position. And I'm going to quote to you, Mr. Speaker, the NDP's (New Democratic Party) position from their leader about decentralization and Fair Share. And, Mr. Speaker, they can't argue in principle so they get into this other stuff — all kinds of things, Mr. Speaker, with respect to innuendo. It's a typical NDP response.

Listen to what the NDP leader says, Mr. Speaker, about decentralization. And I want the public to listen to it. He

says, in Tisdale, Mr. Speaker, "For the PC's to say that we would cancel Fair Share is an outright lie." Romanow says, Mr. Speaker.

In Moosomin, Mr. Speaker . . . Mr. Speaker, listen to them; they don't want to hear the answer. In Moosomin, Romanow says, and I quote: We're not opposed to decentralization in principle if it means bringing the government closer to the people it serves. That's a good idea, says the NDP leader.

Some Hon. Members: Hear, hear!

The Speaker: — The hon. member's answer, and we are quite lenient in allowing answers, but the answer the hon. member is giving I can't relate to the question at all.

Hon. Mr. Devine: — Mr. Speaker . . .

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

Hon. Mr. Devine: — Mr. Speaker, if I had the time and I know with the rules of question period I don't, I could quote the member of the legislature now from Regina North East when he represented Humboldt, saying Fair Share was a good idea. I can quote Wheat Pool members, Mr. Speaker. I can quote the president, the past president of the University of Saskatchewan. I can now quote the NDP leader in the province of Saskatchewan who says it's a good idea, Mr. Speaker, and yet they still are against it.

Some Hon. Members: Hear, hear!

Mr. Koenker: — To the Premier, Mr. Speaker. Mr. Premier, according to your own internal studies, you not only had the costs but you also had a number of alternatives when it came to decentralizing your Department of Agriculture. And the alternative that you chose was the least preferred and the second most expensive.

Now at a time when you've rung up a \$5 billion deficit and mismanaged the province beyond all recognition, why do you now compound the province's problems by choosing the worst possible scenario when it comes to decentralizing your Department of Agriculture?

Hon. Mr. Devine: — Mr. Speaker, if we want to go back and ask professionals that are certainly non-partisan or might be known to be somebody that perhaps may be even more sympathetic to the NDP that knows agriculture, Mr. Speaker, that understands it . . .

The Speaker: — Order, order, order. Excuse me. Excuse me. I would just like to ask the hon. member to allow the minister to respond to the question without interrupting.

Hon. Mr. Devine: — Mr. Speaker, let me just say to the hon. member, the former president of the University of Saskatchewan in Saskatoon who understands co-operatives — I took my first co-op class at the university from Leo Kristjanson — he understands rural Saskatchewan and he understands agriculture. He's been very, very supportive.

What does he say, Mr. Speaker, with respect to Fair Share

and decentralization? He says it's a good idea to move the whole department, including the deputy minister of Agriculture, to Humboldt and area. He says, don't just take some jobs in Agriculture; take the whole Department of Agriculture professionally and put it in Humboldt and the surrounding area.

Now that is the former president of the University of Saskatchewan, an agricultural economist, somebody that understands co-operatives, and he's supported now by the Wheat Pool members, by people from all walks of life across Saskatchewan, and even the NDP leader, but he doesn't have . . .

Mr. Koenker: — Supplementary, Mr. Speaker, to the same minister. That's what the former president of the University of Saskatchewan says, Mr. Premier. Your own departmental officials state, and I quote:

Each of the options (for decentralization) would involve additional costs, lost efficiencies and functionality, and problems of continuity in maintaining service to the public.

That's what your departmental officials say.

Can you justify to the public why you would approve a decentralization program that, according to your own officials, will cost taxpayers more and provide them with poorer public service?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, we had . . . The hon. member probably noticed you had some of the same arguments with respect to ACS in Swift Current or the Saskatchewan Crop Insurance Corporation that was here — say, well I wondered if we could move it to Melville. I'd say, well you wouldn't have the efficiency; you might not have the same fax, computer technology. Well, Mr. Speaker, the facts are that you can run it very . . .

The Speaker: — Order, order, order. Order, order, order. Order. Hon. members have the right to ask questions during question period. I don't think they should have the right to constantly interfere, regardless of who's answering the question. Just as if somebody's asking the question, they should not be constantly interfered with. And I'm asking hon. members, whether they agree or disagree — and that is your right — not to constantly interfere.

Hon. Mr. Devine: — Thank you very much, Mr. Speaker, thank you. The important thing for the hon. member to recognize is that Fair Share, that has been going on across the province of Saskatchewan, has been working for the public service, working for the communities that are there, and a multi-billion-dollar agricultural organization like Crop Insurance is now run out of Melville very efficiently, very effectively, and it deals with virtually every farmer in the province.

It is watched by provinces all across Canada and indeed internationally. It now manages GRIP (gross revenue insurance plan) and NISA (net income stabilization account) and it does so within a 50-mile radius of

Melville, in the country. And it's supported by Wheat Pool members; it's supported by NFU (National Farmers Union); it is supported by PCs (Progressive Conservatives); it's supported by Liberals; it's supported by Wheat Pool delegates. Let me just . . . one quote, Mr. Speaker.

The Speaker: — Order, order. Order, order, order. I believe the Premier has made his point.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Mr. Speaker, to the same minister. Mr. Premier, your own internal study concludes that your decentralization moves in the Department of Agriculture will cost taxpayers an extra \$1.4 million. How can you possibly expect the taxpayers to believe you're running a leaner government, eliminating waste and mismanagement, when you add \$1.4 million to your own departmental budget by means of decentralization that flies in the face of your own officials' recommendations?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, why don't you . . . Mr. Speaker, I mean for the sake of the public and the media and other people, why don't you and your colleagues opposite argue it on principle? I mean if . . . you say, well we have four or five different estimates. We have years of experience with it and you've had years of experience in decentralization, in fact I've got quotes here in 1979, where the hon. member from . . .

An Hon. Member: — 1974.

Hon. Mr. Devine: — 1974, that's right, *Hansard*. The member from Humboldt would say: the New Democratic Party promised to decentralize provincial government functions to encourage development in smaller centres. Now that says where he sits here now, Mr. Speaker. And we've been doing it for years and years and years, Mr. Speaker, and now he won't argue on principle. He says but there was another study inside and there was another study over here, Mr. Speaker. Let me point out.

This quote will just take a second, Mr. Speaker. This quote by August Faul, who's been a Wheat Pool member for 56 years, says this:

As for the suggestion that it's simply a political ploy by the governing Conservatives, Faul said that's hardly new: "You can pretty well tie political reasons to anything that a party does. I'm not a PC myself but it doesn't bother me (at all, says Mr. Faul)."

Some Hon. Members: Hear, hear!

The Speaker: — I'm going to have to bring to the Premier's attention that some of his responses are somewhat too long and it's making it difficult.

Some Hon. Members: Hear, hear!

Notice of Relocation for Public Servants

Mr. Hagel: — Mr. Speaker, I direct my question to the minister responsible for the Public Service Commission also the Minister for the Family, and it regards the topic of your forced relocation program, Mr. Minister.

Yesterday outside this House the Deputy Premier said, and I quote from today's *Leader-Post*:

... the first employees will be given notices of their transfer "certainly before the end of the year" and probably before November.

Yesterday, Mr. Minister, you said and I quote:

... Agriculture Department employees have 18 months to decide whether they want to move, and employees in other departments have an even longer decision period.

I direct my question specifically to the minister responsible for the Public Service Commission, the Minister for the Family. Mr. Minister, simply put, Mr. Minister, who is telling the truth? Is it the Deputy Premier or is it you?

Some Hon. Members: Hear, hear!

Hon. Mr. Martin: — What I said yesterday, and this will be on the record as it was for the member from Regina East on *Hansard* many, many years from now, is that the minister in charge of decentralization and in that area have the decision as to who moves when and what time.

What I said was that the Department of Agriculture ... it was indicated to me that the Department of Agriculture was to be in place by December of 1992. Now if that is incorrect, it's incorrect. That's what I said. But when people move is up to the people running the decentralization program.

My concern, sir, is with the issue surrounding the family issues. Those are the issues that I want to talk to. Those are the issues that I want to talk to. So you ask me a question about that then would you please?

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, again to the minister responsible for the Public Service Commission, the Minister for the Family. That is an incredible statement, Mr. Minister. You stand in your place and you say you're the minister responsible for the Public Service Commission but you don't know what's going on.

Mr. Minister, I don't know if you understand the anguish and the despair that is caused in the lives of the public service employees, professional public service employees, as your government undertakes your daily forced relocation announcements. And I ask you, Mr. Minister, specifically to you: why are you playing politics with the lives of these people and with the lives of their families? Why, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Martin: — Mr. Speaker, my responsibility as the

minister of the Public Service Commission is to make sure the Public Service Commission informs the employees of all the options that are available to them, all the benefits and the packages that are available to them. That's as the minister of the Public Service Commission. Okay?

Now as the Minister of the Family, the Department of the Family, the Family Foundation has a variety of programs that are available to people in this province having to do with stress, having to do with family problems and a variety of others. I'm more than happy as the Minister of the Family to speed up the process in terms of those family forums and the other stress programs that we have, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Minister, Mr. Speaker, a new question ...

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

Mr. Hagel: — Mr. Speaker, a new question to the same minister.

The Speaker: — Now I'm just going to ask the hon. member for Regina Lakeview ... and I know she has many ideas and would like to get into question period, but her colleague from Moose Jaw North is putting the question.

Mr. Hagel: — Mr. Minister, your answers are unbelievable. They get curiouser and curiouser each time you stand. Mr. Minister, so far your government has announced 847 moves. You say that somewhere in the mind of somebody over there, there's a plan.

And I ask you specifically, I ask you specifically, by the end of September, by the end of September, how many of these professional public service employees will have moved and who? Specifically, Mr. Minister, how many and who? Will you come clean in this Assembly for the professional public service employees of the people of Saskatchewan and for all the people of the province of Saskatchewan who do have a decent bone in their body?

Some Hon. Members: Hear, hear!

Hon. Mr. Martin: — Mr. Speaker, one of the privileges I've had this last year is to be responsible for all families in this province. I don't deal just with the families in Regina, but I have as much respect and sympathy for them as I do for anybody else that's having a family problem.

Some Hon. Members: Hear, hear!

Hon. Mr. Martin: — Now, Mr. Speaker, the implementation plans of Fair Share are being developed by the departments, as also by Fair Share Saskatchewan, Mr. Speaker. Any questions related to implementing those plans should be directed to the minister responsible for Fair Share.

I say again that as the minister of the Family Foundation and responsible for all families in this province, my

department is available for any questions, any problems that anybody may have related to this situation.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Minister, in case you've had difficulty hearing the question, let me repeat it to you specifically. By the end of September how many and who?

Some Hon. Members: Hear, hear!

Hon. Mr. Martin: — I guess he didn't hear what I said, Mr. Speaker. I said that if you have questions related to how many or when or to where, you should ask the person responsible for that area. That is not my responsibility nor will I try to answer that question. It's not my responsibility. The question should be directed at the minister responsible for Fair Share. I'm responsible for the Family Foundation, that's the area . . .

Some Hon. Members: Hear, hear!

Costs of Decentralization of Department of Community Services

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Community Services. Mr. Minister, today your department announced that it would decentralize 81 jobs to the Rosetown area at a supposed — and I underline that word — supposed cost of \$1.2 million.

Of that amount, Mr. Minister, could you tell this Assembly how much is to be spent on relocation cost for staff, leasing or purchasing new accommodations, providing employees with a buffer against real estate . . .

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

Mr. Van Mulligen: — . . . purchasing new communications equipment, moving office and communications equipment. How much is to be spent on hooking up computers to your communications network, and how much has been set aside for ministerial and other staff travel? Can you tell us that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, as has been said earlier in this question period, the implementation plans for the actual moves will be done by the department in conjunction with the Fair Share Saskatchewan office.

Mr. Speaker, in each case, in each of the announcements, including the announcement that was made today in Rosetown and west-central Saskatchewan about the Community Services department, in each case there is a range number for what the move will cost. And in each case there's a specific time frame within which the moves will take place. That's the case in the case of Community Services, as it is with all of the announcements including the announcement for Hudson Bay the other day. And I know there are folks in the gallery today from Hudson Bay who very much appreciate what's happening for their community.

Mr. Speaker, those implementation plans will be in place, and let me clarify one more thing, Mr. Speaker. There will be moves that take place in the calendar year of 1991. There will be moves taking place in calendar 1991.

Some Hon. Members: Hear, hear!

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

POINT OF PRIVILEGE

Mr. Lingenfelter: — Mr. Speaker, before orders of the day . . .

The Speaker: — Order, order, order. Order. The member for Moose Jaw North. Member for Moose Jaw North.

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

The issue I wish to raise pertains to the remarks regarding the cost of decentralization made by the Premier and Minister of Agriculture during oral question period on Monday, June 11, 1991. I submit, Mr. Speaker, that the remarks made regarding the cost per employee of the government's decentralization program constituted a deliberate attempt to mislead the Assembly, and this constitutes a breach of privilege.

Mr. Speaker, Beauchesne's *Parliamentary Rules and Forms*, 5th Edition, article 16, and Erskine May's *Parliamentary Practice*, 19th Edition, chapter 5, define privilege. In chapter 10, May sets out relationship between breach of privilege and contempt of parliament and states at page 142 and I quote:

The House may treat the making of a deliberately misleading statement as a contempt.

Mr. Speaker, on Monday the Premier, the Minister of Agriculture, informed the House that the cost per employee of decentralization would be, and I quote, ". . . (somewhere) in the neighbourhood of 8 to \$12,000 . . ."

I refer you today, Mr. Speaker, to an article in the *Leader-Post* which contradicts the cost as stated by the Premier. The cost made public in today's paper, the *Leader-Post*, I quote directly from a department . . . the quote's directly from the Department of Agriculture and Food study. And I want to say this in fact, Mr. Speaker, is the department which the Premier represents and is responsible for.

In light of the public release of this information, I submit that it is absolutely clear that the Premier and Minister of Agriculture deliberately misled the House in his remarks about the cost of decentralization on Monday. Accordingly, Mr. Speaker, I respectfully urge you to find that there is a case, a prima facie case of privilege, after

which I shall move the appropriate motion in order that the legislature itself take appropriate action.

Mr. Speaker, I would then move a motion along the following lines:

That this Assembly censure the Minister of Agriculture for having breached the privilege of this legislature by misleading the Assembly in his remarks regarding the costs of decentralization.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. I'm going to interrupt. I'm going to interrupt. I'm going to ask members on both sides of the House to contain themselves. As I said earlier, they really don't have the right to constantly interfere. They don't have that right and they know it. Everyone has a right to not agree but not to constantly interfere with the member on their feet. So I ask all members to, in this instance, allow the Government House Leader to make his point.

Hon. Mr. Hodgins: — Thank you very much, Mr. Speaker. Mr. Speaker, the member opposite who indeed has served in this legislature for some time and does, with respect, know the rules of the Assembly, will know full well that an issue such as what he is raising is clearly a dispute between members.

It is very often in fact, Mr. Speaker, that in this legislature members opposite will do their own studies, will quote to their own documents, will quote things to their own way of thinking. The facts and figures have been laid out within a given range to the best of our knowledge, Mr. Speaker. Clearly this issue is a dispute between two members.

The member opposite further purports to make a motion. And, Mr. Speaker, you will also, I'm sure, know that the member is clearly out of order in making any motion. He has alleged a case of privilege, given the requisite notice, and I urge you, Mr. Speaker, to rely on all past precedents and your own good judgement in viewing this as simply a dispute between two members of this Assembly.

The Speaker: — Today I received a notice of a question of privilege in accordance with rule 6 from the member for Regina Elphinstone. The member's question of privilege was that on oral question period on Monday, June 11 — I note that Monday was actually June 10 — the Premier made remarks about the cost per employee . . . Order, order. Order, order. And that sort of a remark doesn't reflect very highly on the individual making it either, so let's contain our remarks and our emotions. Order. Member for Rosthern, I order you to order.

The Premier made remarks about the cost per employee of the government's decentralization program which constituted a deliberate attempt to mislead the Assembly. The evidence offered by the member that the Premier's remarks were deliberate and misleading was as follows: that the Premier had stated the cost for employee of decentralization would be in the neighbourhood of 8,000 to \$12,000, but that the Regina *Leader-Post* on June 12, 1991, quoted from a Department of Agriculture and Food

study that the cost would be \$36,820 per employee.

The review of the *Hansard* for the past few weeks shows that many varying figures have been tossed out regarding the costs of this program. And of course the actual costs could vary depending on the nature and location of the functions being moved. Similar questions of privilege relating to allegedly inaccurate and misleading responses in question period have been raised many times in this Assembly.

I refer members to rulings of the Chair dated November 18, 1975; March 25, 1976; April 14, 1980; October 1, 1987 in the *Journals* of the Saskatchewan Legislative Assembly. In particular, I want to briefly quote from the 1975 and '76 rulings as follows:

In short a debate in the Assembly over the question of whether something is a fact or not cannot be ascertained by Mr. Speaker and does not constitute a question of privilege.

I'm going to ask the hon. member for Regina Elphinstone not to interfere with the Chair's ruling. That is showing blatant disregard for the Chair, as he knows because he is one of the senior members in this House. Now I once more ask the hon. member for Regina . . . for Rosthern rather, just Rosthern, not to interfere as well.

(1445)

Now I'm going to continue with the ruling. I further quote the April 14, 1980 ruling as follows:

It has been consistently ruled in this Assembly that disputes between Members as to questions of fact and, further, the accurateness of replies to oral questions cannot be determined by the Chair and do not constitute a question of privilege.

I refer members to rulings of the Chair, *Journals* of the Legislative Assembly of Saskatchewan, April 20, 1978; November 30, 1976; March 25, 1976; and November 18, 1975. These rulings are also based on the standard provisions found in Beauchesne's *Parliamentary Rules and Forms*, 5th Edition, which states at paragraph 19(1):

A dispute arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege.

In light of our precedents, I find that this dispute is more properly a matter for debate and that it is not the role of the Chair to determine whether the facts in a newspaper article are correct. I therefore rule that a prima facie case of privilege has not been established.

POINT OF ORDER

Mr. Lingenfelter: — On a point of order, Mr. Speaker. The point of order is the fact that the *Leader-Post* is quoting from a document in the Premier's department. In order to clear this matter up, I wonder if you, Mr. Speaker, would get the document, bring it to the Assembly to prove whether or not the cost of decentralization is, in the Premier's words, \$8,000 to 10,000 or whether in fact the

report of 35,000 is accurate. Because I don't believe this is a dispute between members; I think it's based on fact, in a document that the Premier has in his possession.

Some Hon. Members: Hear, hear!

The Speaker: — The hon. member's point of order is out of order. I have just in my ruling indicated that it is not the duty of the Chair to find out the validity of facts and numbers.

Order, order, order. Order, order.

I really find this quite interesting that hon. members, if they don't agree with the ruling, are immediately intervening with the Chair. This is totally unacceptable. I have made a ruling. If you dispute that ruling, well you have that right. But there are other ways than sitting in your desk and hollering at the Chair. And I'm sure you realize that.

Now the member for The Battlefords, I am going to call you to attention.

STATEMENTS BY THE SPEAKER

Ruling on Tabling of Document

The Speaker: — Yesterday before orders of the day the member for Regina Elphinstone raised a point of order stating that the Deputy Premier should table a document from the Department of Highways to which you referred during oral questions. The member alleged that the member cited the document in question . . .

I am going to once more ask the member for Regina Elphinstone to discontinue interfering with the Chair.

The member alleged that the minister cited the document in question . . .

I think that there are right now some members who are showing disrespect, quite frankly, and with due respect. There are some members showing disrespect. And members accusing each other of showing disrespect is really . . . (inaudible) . . . The member alleged that the minister cited the document in question. The issue here is whether the minister did cite or quote from the document and whether it should be tabled. I carefully reviewed yesterday's *Debates and Proceedings* and I am satisfied that the minister in fact referred to the document but did not cite or quote from it.

I draw the member's attention to Beauchesne's, 5th edition, subparagraphs 327(3) and (4) which state that:

- (3) A (public) document referred to but not cited or quoted by a Minister need not be tabled.

And paragraph 327(5) further stipulates that:

To be cited, a document must (actually) be quoted . . .

Member for Moose Jaw North, I think the time has come. Hon. members insist on interfering with the Chair.

Member from Regina Elphinstone, you are interfering and have been interfering almost continuously since I've started my rulings. I'm going to ask you to rise and apologize for your disregard for the authority of the Chair.

Mr. Lingenfelter: — I apologize.

The Speaker: — I'm going to finish my ruling. I further refer members to a ruling of the Chair, *Journals* of the Legislative Assembly of Saskatchewan, December 12, 1986. I therefore find the point of order not well taken and that the minister does not have to table the document.

I have a further ruling.

Ruling on a Series of Points of Order

The Speaker: — Today I'm going to give my ruling on the series of points of order that were raised a few weeks ago during the recent deadlock in the proceedings of the Assembly. I want to explain my decision at length because it is not only the members of this House but also the viewing public, the citizen, that has an important stake in both what this House does and how it does it.

I emphasize the "how" here, the process, because I believe that democratic freedoms have as much to do with process as they do with results. And as Speaker, my responsibility is for the parliamentary process, not for the product of that process.

To enable members to fully consider this unusually long statement, copies of this ruling will be available to members as soon as possible at the conclusion of my remarks.

On Wednesday, May 22, I reserved my response to a point of order by the Government House Leader concerning the protracted presentation of petitions, which at that time was the focus of a great number of events surrounding Bill 61. At that time I also indicated that I intended to deal with the issue of superseding motions on routine proceedings as it too was related to the broad issue of the impasse that the House found itself in.

A third related matter was raised on a point of order on Friday, May 24 with the Government House Leader, when he argued that the use of adjournment motions by the opposition was an abuse of the spirit and intent of the rules. Subsequently, further points of order were raised, in particular by the member for Cut Knife-Lloydminster on similar issues.

On certain of these occasions I solicited comments from both sides of the House so that I could take into consideration the views of members before rendering a ruling. The comments of members I feel are important when the spirit of the rules and the whole spirit of decades of parliamentary practice come into question.

In difficult situations such as the one we have just gone through, it is the Speaker's duty to try to the best of his or her ability to ensure that any procedural decisions that might be made are in accordance with the principles that govern parliament as an institution. It is in this light that I

have considered the various points raised.

Before going any further in this ruling, I want to make it absolutely clear to all members what the role of Speaker actually is in any House based on the British parliamentary model. I think that at times certain members on both sides of the House demonstrated some misconception to this regard. To make my point, I can do no better than to quote from Josef Redlich's volume 2 of *The Procedure of the House of Commons*. I can advise members that Redlich is a standard reference in Great Britain on the theory of parliament.

Redlich states that the Speaker is:

... a judge who has to apply the rules of procedure to the best of his ability and with perfect impartiality, maintaining with a firm yet sensitive hand the proper relations between the two parties to the proceedings before him, the majority and the minority; ... he must further, like a judge, watch to see that the advance of the majority and the resistance of the minority observe the spirit of the rules and the whole spirit of parliamentary life.

On the nature of parliamentary life, Redlich states:

If we would understand the spirit of parliamentary law we must clearly grasp the principle that its provisions, however various, are all directed to one end, namely that of keeping the activity of Parliament in full swing ... On the one hand the legislative proposals placed before Parliament by the government must be promptly dispatched; on the other, the minority must, under certain circumstances, be given a chance of postponing the decision of Parliament as to some particular subject, or even, at times, of preventing its ever being reached.

Therefore Redlich concludes that:

Protection of a majority against obstruction and protection of a minority against oppression are both alike functions of the Chair.

Setting aside for the moment these conflicting requirements of the Speaker, ordinarily members might think the job of Speaker is easy, given the great abundance of precedent that exists. I submit to you that very few issues are black and white. Each situation has its own circumstances that colour a problem in ways that often require the Speaker to deduce a decision logically from not only the rules of precedents already in force, but the intent of those rules. That most definitely was the situation concerning Bill 61. I might add that often solutions also require a healthy portion of common sense.

The Saskatchewan Legislative Assembly has a comparatively small body of codified rules. Many of those that we do have can only be interpreted in reference to precedent. Neither do the rules cover all of our many practices nor do they always give authoritative expression to new conceptions to parliamentary forms and usage. There is a degree of elasticity inherent in our rules and that is why we have rule 1.

In the last 20 years or so changes and additions to our written rules have been done to trim and adjust historic traditions to modern needs. At least that is what Beauchesne states but I think a similar case can be made for Saskatchewan. A good example of this is the development of oral question period in the last two decades, largely through rulings of the Chair. In many cases these rule changes have been made to codify a new practice as a result of the Speaker having had to find the best way to proceed in a new situation which has arisen. It is stated in Beauchesne's, 6th Edition, paragraph 11 that:

Although the House normally assumes that a ruling is binding for the future, Speakers have used the flexibility available to them to develop procedure regardless of conflicting precedents in the past.

I repeat the latter part of that statement:

... Speakers have used the flexibility available to them to develop procedure regardless of conflicting precedents in the past.

Beauchesne doesn't end there. It is stated in paragraph 15 that:

On extremely rare occasions the ruling of a Speaker may even vary a Standing Order. Thus the Speaker in 1967 declared one Standing Order to be obsolete and in 1986 ignored another on the grounds that when it had recently been amended one aspect of its application had been overlooked.

These statements are confirmed by history, the most famous incident coming in 1881, when Speaker Brand imposed closure on his own initiative to end the paralysis of the British House of Commons.

Today members throughout the Commonwealth will find closure rules in their rule books. More recently, Speaker Fraser in the House of Commons in Ottawa, made the following comments in a ruling dealing where he found it necessary to reverse recent precedents. He said:

There comes a time when the Chair has to face its responsibilities. When circumstances change and the Rules of Procedure provide no solution, the Chair must fall back on its discretion in the interests of the House and all its members.

Recent Speaker's rulings in the Ontario Legislative Assembly also demonstrate the ability of the Chair to ultimately take discretionary action in an effort to maintain the appropriate balance between the rights of the opposition and government. As recently as Monday, May 27, 1991 Speaker Warner told the Ontario Legislative Assembly in a ruling that "... the Speaker does have a latitude to act in exceptional instances where the standing orders are being abused or where the business of the House is being obstructed."

Given the Speaker's discretion in certain circumstances, I want to advise members that the premise for the material part of my ruling is based on Redlich's dictum that the

“protection of the majority against obstruction and protection of a minority against oppression are both alike functions of the Chair.” I think it is obvious that between these two functions there must be a balance for this House to run effectively. I only deeply regret that members themselves could not much sooner find a compromise to that end. In fact the necessity of such a balance was suggested by some members when they addressed the various points of order. In particular, I want to quote the Minister of the Family in that regard. He said, “So I think what we have to do, Mr. Speaker, is find a balance. We need to find a balance between oppression of the minority and obstruction of the majority.” In the end, I think that in the course of events the House found for itself a balance but not before some avoidable damage was done to the reputation of this institution.

I shall begin by dealing with the use of petitions to obstruct because it is at the centre of a broader issue of obstruction versus oppression. In making his original point of order on May 22, the Government House Leader stated that by being allowed to present petitions one page at a time, opposition members had gone beyond their privileges and crossed the line to abuse and obstruction. I think the member for Regina Centre was the most succinct when he responded in the opposition’s cause to say that petitions had been presented in the manner they were because the government abused the rights of the opposition by prematurely threatening time allocation on Bill 61. The petitions, he said, “are simply the only means that is left to give vent to public frustration . . .”

(1500)

The member for Regina Centre makes an important point. Again I want to quote Speaker Fraser on a similar topic:

There are circumstances in which the obstructive tactics can be an abuse of the rules of the House. Equally, notice of time allocation motions after only a few hours of debate at any stage of a Bill can also be an abuse.

While I think the opposition made a very good case in regard to the premature use of time allocation, it is the use of petitions as a tactical measure that I must deal with at this time because it is the procedural fall-out of the Bill 61 situation.

Initially a variety of obstructive tactics were used on other government business to prevent the House from getting to debate on Bill 61. While I do not condone the government’s response to these events with time allocation, in some measure they may have been provoked. Certainly it was the combined effect of all these events that brought about last month’s unfortunate events.

Nevertheless, the tactical use of petitions is what concerns me the most. By the members’ own admission, I think it is clear that the recent method of presentation of petitions is unusual. As the member for Regina Centre and others noted, it was a reaction to the related issue of time allocation. In isolation I don’t think the manner of presentation of petitions one page at a time, day after day, would make much practical sense.

Accordingly, it must be understood that in modern parliamentary practice, the only purpose of the public petition is to demonstrate a point. This is borne out in many studies on parliament. I do not doubt that the opposition relative to Bill 61 demonstrated a point.

As Speaker, however, I must ask, in the normal course of events to what length should members be allowed to make a point before it becomes an abuse? I feel that I was very lenient in this regard, partly because I felt that there had to be some measure of balance between obstruction and oppression. In essence, the recent presentation of petitions was an abuse equal to the premature use of time allocation after only some 11 hours of debate.

All told, we had 11 sitting days when opposition members presented petitions in a manner that I must say stretched to the limit our rules and relative practices. Until last month’s departure from our normal practice, the House never — I repeat, never — had been totally prevented from doing other business. That is a point I cannot ignore.

By opposition members’ own calculations, over 120,000 signatures were tabled in response to Bill 61. The last time such numbers were claimed to have been laid on the Table was in October of 1987. In reference to Bill 61, certain opposition members claimed that the right of petitioners would be undermined somehow if the petitions were not presented in the manner that the Government House Leader came to question.

In 1987, however, members did not feel disrespectful towards the rights of petitioners when they tabled petitions of 23 or 47 pages at a time. Nor were the rights of petitioners an issue in 1983 when petitions of 37 or more pages were laid on the Table in a single gesture.

In fact the Leader of the Opposition stated on October 20, 1987, and I quote: “in order to save the time of the House, I will put them in as a group.”

On that day opposition members presented 60,000 signatures in approximately one and one-half hours. Earlier in 1987, opposition members were able to table some 15,000 signatures in approximately 15 minutes.

How could it be that in 1991 it was necessary to take two weeks to uphold the same rights of each and every citizen of this province that petitioned this Legislative Assembly?

To further emphasize this point, I can only draw members’ attention to the fact that on June 5, 1991, the Leader of the Opposition saw fit in a very public demonstration to lay on the Table some 40,000 signatures in a single gesture. The point I come back to is that the purpose of presentation of petitions in modern parliamentary practice is to demonstrate the point.

Earlier in this ruling I mentioned that the Speaker must, when he or she is asked to rule, find some balance between obstruction and oppression. Clearly the presentation of petitions in a manner that totally prevents the House from getting to any business at all is very unusual and was not contemplated by our rules.

Certainly other Houses have amended their standing orders precisely because there comes a time when making a political point becomes obstruction. Strictly speaking, obstruction of the House was not the idea behind the rights of citizens to petition the Assembly, nor is it within the spirit of rule 11.

Having said that, however, I will explain why I chose not to intervene. I have already noted what Speakers Fraser and Warner stated in regard to Speaker's discretion when the rules do not directly address situations unforeseen by the rules. Clearly I used my discretion in this situation not to limit the presentation of petitions only because this House was experiencing two abuses of equal seriousness, which I felt members themselves should at least try to sort out.

Whether members realize it or not, both the hasty use of time allocation and the use of presentation of petitions as obstruction have serious implications for this parliamentary institution's welfare. That is why I gave the House a wide opportunity to discuss the various points of order as they were raised. That is why, on several occasions, I invited the House leaders to negotiate a settlement. Indeed the primary responsibility for resolving differences and difficulties amongst members lie with the members themselves. I will return to this point in a moment.

Now that Bill 61 has passed, what I must consider is how all this should be considered in the future. Unlike members, the Speaker cannot afford the luxury of interpreting parliamentary tradition in the light of immediate circumstances. I am conscious of the fact that the fundamental rights of members can be violated by the tactics of obstruction as well as by the unreasonable restriction of debate.

Clearly the events of the past month should be a warning to government when they consider using the powerful tool of time allocation and closure too soon. However I do not want the use of presentation of petitions as an obstructionist tactic to become a precedent. The fact I allowed the protracted use of petitions should be reviewed only in the context of this single event.

In order to ensure that this situation will not become a precedent, I am now going to use my discretion and rule to restrict the presentation of petitions to a period of time no longer than one hour each sitting day. This in no way infringes on any member's right to present petitions. There will still be that opportunity each and every day in the same manner that has been the normal practice in this Assembly. This ruling is meant to enforce a return to normal practice. It is my hope this will be some incentive for members to convene the Special Committee on Rules and Procedures to reconsider issues such as the use of time allocation and presentation of petitions.

Indeed, many of the issues have been on the agenda since 1980, so no number of rulings is going to make the House work if there is not the basic will on the part of members to make it work. If members are concerned about the actions or inaction of the Speaker, to them I can say there is a qualification to the high authority that a Speaker

possesses. The Assembly remains the supreme court of appeal to which the Speaker, like any individual member, is subordinate. In the proper forum, members have the chance to reverse, adjust or confirm my ruling today.

Now I want to turn to the other two issues I have been asked to decide upon.

The second point on which I deferred a ruling on May 22 was on the question of whether a motion, moved by the Government House Leader to proceed to oral question period, was in order when moved during the presenting of petitions on routine proceedings. Motions such as this are described in parliamentary authorities as superseding motions, that is, motions that are designed to be moved during debate for the purpose of setting aside or superseding the question under discussion.

There has been much debate over whether such motions could be used to supersede business under routine proceedings, such as petitions, when there is no motion on the floor. This has become an issue in recent years in other jurisdictions such as the Canadian House of Commons and the Ontario Legislative Assembly at times when obstructionist tactics were being used during routine proceedings to prevent the House from getting to some controversial piece of government business.

First I want to review the current status of the use of superseding motions in our own practice. We have very few instances where superseding motions, other than motions to adjourn the House, have been used during routine proceedings.

The position taken by the Chair has been the traditional one that is based on the assumption that superseding motions were designed to set aside a motion that was already under discussion. Thus by definition they were not intended to be used where there is no motion on the floor, as is the case during presenting petitions and certain other types of business before orders of the day.

This position is clearly laid out in a ruling of the Chair made on June 9, 1989. Notwithstanding our own practice, the member from Melfort referred to precedents in the House of Commons where the Speaker allowed superseding motions during routine proceedings in the face of obstruction.

The 6th edition of Beauchesne's *Parliamentary Rules and Forms* summarizes the current status of this issue in the Canadian House of Commons in two brief paragraphs. Citation 345 outlines the traditional view that the use of superseding motions during routine proceedings is inappropriate. Citation 346 then notes the exception to the standard position where superseding motions may be allowed during routine proceedings where the use of dilatory tactics has become an abuse.

I quote from these two citations in full as follows, citation 345:

A motion to proceed to another item of business under Routine Proceedings, thereby by-passing the calling of other items, is inappropriate and the House should proceed from item to item. *Debates*,

November 24, 1986, p. 1435.

Citation 346:

The use of dilatory tactics during Routine Proceedings can be an abuse, and the Speaker may, after consideration of the specific circumstances, permit motions which would end such an abuse. *Debates*, April 14, 1987, p. 5119-22.

As outlined above, it is clear that the traditional practices relating to superseding motions had been varied by Speaker Fraser in the House of Commons in the face of prolonged obstruction. Recent Speaker's rulings in the Ontario Legislative Assembly have also allowed some types of superseding motions to be used during routine proceedings.

I refer members to the Ontario Legislative Assembly, *Votes and Proceedings* of May 8, 1991. In Ontario, these changes occurred in the past two sessions under circumstances where prolonged obstruction was taking place. These two examples demonstrate the ability of the Speaker to consider the circumstances of the time and to make interpretations of the rules that maintain the appropriate balance between the rights of the opposition to oppose and delay, and the rights of the government to have the public business dealt with.

The ultimate discretion which a Speaker must have is well documented, as I have already pointed out, in a ruling given by Speaker Warner in the Ontario Legislative Assembly on May 26, 1991, a ruling from which I quoted earlier. I must now consider whether it is appropriate in the face of obstruction to accept the superseding motion during the presentation of petitions as the Government House Leader proposed on May 22.

(1515)

My concern is to maintain a balance between the procedural tools available to the majority and to the minority while maintaining as my first priority, the health of the institution and its ability to function. While the government may have felt frustrated by the many forms of obstruction used on unrelated elements of government business during this session, the fact that the government tried to apply time allocation after only 11 hours of debate severely circumscribed the ability of the Chair to exercise discretion to accept the superseding motion, which in effect would have taken the House to that very time allocation motion.

For the Chair to have done so would have been inappropriate. It is my view that there was not sufficient reason for the Chair to reverse the previous practice of the House regarding superseding motions. I therefore find that the use of a superseding motion to proceed to question period or any other order to be out of order when there is no motion on the floor.

Now I wish to deal with a third point of order which was raised by the Government House Leader regarding the use of motions to adjourn the House during routine proceedings. On four occasions during the events

surrounding Bill 61 an opposition member moved that the House adjourn, twice during petitions, once during oral question period and once before orders of the day. These were all occasions when there was no motion before the House and the House had not yet reached the point of dealing with government business. Members will recognize that there is some inconsistency here between the way that other superseding motions are treated as explained in the ruling I just gave a moment ago, and the way that adjournment motions are allowed when no question is under debate even when their clear purpose has been to supersede the business then before the House. I will come back to this inconsistency in a moment.

But first I wish to outline what the practice of this House has been regarding adjournment motions and to review how that practice differs from that in both the Canadian and United Kingdom House of Commons. Our practice is based on rule 4 of our *Rules and Procedures* which reads as follows:

A motion to adjourn the Assembly shall always be in order, but no second motion to the same effect shall be made until after some intermediate proceeding has taken place.

In our practice this rule has been interpreted literally to mean that any member may move to adjourn the House at any time, provided they have been legitimately recognized and do not attempt to do so on a point of order. Thus the application of this rule has constituted an exception to the basic rule governing superseding motions, which is that they can only be moved when a motion is on the floor. Adjournment motions have been allowed during routine proceedings, question period and between orders of the day. I refer all members to the following precedents: *Journals* of the Legislative Assembly of Saskatchewan, 1977-78, p. 84; 1984-85-86, April 26, 1985, p. 110, May 24, 1985, p. 179, 1986, June 20, 1986, p. 204; 1989-90, August 1, 1989, p. 247.

In the Canadian House of Commons, which has a very similar rule to our rule 4, certain restrictions have been placed on the moving of adjournment motions both by standing order and by Speaker's rulings. By House of Commons standing orders, adjournment motions are not permitted during question period (ruling of the Chair), during routine proceedings prior to introduction of government Bills, during proceedings when closure and time allocation orders are in place, and during special orders which require a decision to be reached on a certain day.

The practice of the British House of Commons regarding adjournment motions is governed by two fairly simple provisions, as outlined on page 332 of the 21st edition of May's *Parliamentary Practice*.

Adjournment motions are of two kinds: one, superseding motions that may be moved only when a motion is under debate; and two, substantive motions that are moved between orders and have as their purpose the termination of the daily sitting.

Private members are permitted to move only the first type

of adjournment motion, that is during debate on a motion. Only the Government House Leader or someone acting on his or her behalf is permitted to move the second type of adjournment motion, that is between orders of the day or when there is no motion on the floor.

I raise these points from other jurisdictions to show that the standard rule that an adjournment motion is in order at any time has been restricted and defined in other legislatures to deal with the situation we recently had here.

I want now to discuss the matter of the inconsistency in our practice between adjournment motions and other superseding motions during routine proceedings.

The inconsistency is that a motion to adjourn the House — in essence a superseding motion — is allowed when no motion is before the House, but all other types of superseding motions can only be used when a motion is under debate.

I recommend to the House that this matter be reviewed to resolve the inconsistencies by either restricting adjournment motions before orders of the day or allowing both adjournment and superseding motions to be moved at any time.

Through the precedents of this House noted above, members will see that our practice in the area of adjournment motions is long standing and clear.

While I recognize that these rules and practices need attention, in the present circumstances I am not prepared to alter the balance between opposition and government further by changing the interpretation of our rules regarding adjournment and superseding motions. There I find that I must rule in keeping with our practice, that adjournment motions moved during routine proceedings, even when no motion is on the floor, are in order.

Once again I urge the House to consider changes in our rules and practice to find solutions to the inconsistencies noted above through the usual channels of a Rules Committee review. And furthermore, a solution to the problem of unlimited bell-ringing during divisions would go a long way toward resolving the problem surrounding the use of adjournment motions.

I thank members for bearing with me during this very long ruling. Because it was so long, I wish to conclude by summarizing the main points. As I have said several times, my purpose here is to strike a balance that will enable the House to go forward. I know that both sides of the House felt justified in the positions they had taken. The government felt they have a right as the duly elected majority to have their policies considered and voted upon by the Assembly. The opposition felt they hadn't. The opposition felt they had the right to obstruct an unpopular measure with every means available to them.

I want to quote Redlich again. In discussing parliamentary rules he notes how sometimes they become the focus of political warfare. In such instances, he states:

(parties and politicians) are giving the rules of procedure a fictitious importance, treating them as if they were political ends, instead of means only; they must take into account that thus they may be injuring, destroying, annihilating, those elements of the order of business which do exist for their own sake . . .

Unfortunately in their fervour, both sides have taken actions that have not been a credit to this institution. I don't want to overstate what damage might have been done to this institution, but I want members to think about headlines such as "Disorder reigns in Mad House" and articles that equate this Assembly to the Mad Hatter's Tea Party. The decisions that I have made have in part been based on the need to maintain and perhaps restore public respect for the Legislative Assembly. If we don't respect it ourselves, how can we expect others to?

In summary then, I have dealt with the point of order on the presentation of petitions by restricting the time for the presentation of petitions to a maximum of one hour each day. This still permits a large amount of time to be used daily for public petitions when members feel it is important to do so, but it will prevent petitions from being used primarily to obstruct the House from proceeding to other business.

The points of order on the use of adjournment motions and on other superseding motions when there is no motion on the floor have been dealt with by maintaining our past practices in both areas. I have pointed out the inconsistencies found within that practice and recommend that these issues be incorporated in a broader-ruled revision by the House.

I believe that this ruling has maintained the balance between competing interests in the Assembly by restricting the use of petitions to their traditional purpose while at the same time, not over-strengthening the government's hand by allowing more superseding motions nor preventing traditional use of adjournment motions at any time. In addition the ruling leaves in the hands of members, where it belongs, the responsibility to make the House work.

The bottom line of this ruling is twofold: one, that the Speaker has, in extraordinary circumstances, the authority to exercise discretion in the interests of the institution; and two, should the Speaker be forced to exercise his or her discretion, it can only be an interim solution as it is the responsibility of the members themselves to finally determine what changes are needed to the framework by which the House is to operate.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Well, thank you very much, Mr. Speaker. With leave may I ask permission of the House to make a short comment with respect to your ruling.

Leave granted.

Hon. Mr. Hodgins: — Thank you very much, Mr. Speaker, for your ruling. Obviously given the time

between the points of order being raised and you bringing in this ruling, as well as the obviously lengthy ruling that you delivered here today you, sir, have taken very careful and serious consideration of all the matters raised before you.

I say, Mr. Speaker, that in listening closely to your ruling, I feel that you have arrived at that perfect balance which you referred to in your remarks, and that balance between the oppression of the minority and the obstruction of the majority I think is very well served in your ruling.

From the government's perspective I will say, Mr. Speaker, any of the implied criticisms that were levelled at the government from the government's point of view, certainly I accept that. I feel that your ruling was very fair, and I understand that your message in that was also that it's up to members primarily, on the government and the opposition side, to reign order in here rather than the tear of the newspaper headlines that you referred to.

And, Mr. Speaker, from the government's perspective, we will certainly adhere to your ruling. As well we will take at the earliest convenience your suggestions to discuss with other members the possibilities of raising some of these issues in future meetings of the Rules and Procedures Committee.

Some Hon. Members: Hear, hear!

The Speaker: — You have guests to introduce?

An Hon. Member: — I ask leave to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Toth: — Yes, Mr. Speaker, with your indulgence and indulgence of the members of this Assembly, I'd like to introduce some guests from the Fillmore School who are visiting here at this very moment. They'll be here for a few minutes — 14 grade 8 students from Fillmore. They're accompanied by their teacher, Murray Bruce, and by their bus driver, Don Wilson. I'd like to invite them to the Assembly, and welcome them. I trust they have an enjoyable day and find the proceedings educational. I look forward to meeting with you in a few minutes for pictures and some refreshments. I ask the members to welcome these guests.

Hon. Members: Hear, hear!

STATEMENT BY THE SPEAKER

Ruling on a Series of Points of Order (continued)

Mr. Lingenfelter: — Mr. Speaker, I appreciate your rulings, and we will certainly take them to heart in our dealings here in the House. I was also encouraged by your remarks that the Rules Committee should be, not re-established, but should be reconvened at an early opportunity to look at the rules of the Assembly. And in our democratic reform paper there are a number of rule changes that we've suggested that I think should be taken

into consideration. I know the government has brought forward in writing to the committee a number of rule changes that should take place.

It's my opinion that now, in the months leading up to an election, is a perfect time for the rules of the Assembly to be sorted out so that the next government, regardless of whether it's the present government or the opposition or some third party, that the rules are made without the advantage of a long term in front of a government or the advantage of a long term in front of an opposition.

It seems to me that the time is right for all members of the Rules Committee, you included, Mr. Speaker, I think to meet at an early, early date to review the rules, and I take encouragement from your report in that manner as well.

(1530)

Mr. Brockelbank: — Mr. Speaker, I rise not in any way to contest the ruling or even to give that impression, but merely to comment on the first ruling you made. The ruling dealt with two subjects which were highly subjective — the time at which a closure motion or foreshortening of debate should be placed, and the manner in which petitions should be laid on the Table.

I followed through the body of your ruling with some sympathy. I had one small area where I didn't agree with you, which I will convey to you in private since I don't wish to raise it at this point.

But when you got to your conclusion, Mr. Speaker, while you were going through the ruling you were dealing with the two subjective issues and the context in which they occurred. The end result of your ruling was that you made a decision with regard to the laying of petitions on the Table. I think it would be wise, Mr. Speaker . . . and this is why I'll elicit probably some further comment at a later time from you as to the other subjective issue at what time may the government invoke foreshortening of debate by closure or any means whatsoever and not be regarded in the manner in which you regarded it as you proceeded through your ruling. I think that is important that we square the circle, as we would say, and that we balance those two issues in the decision that you come to at the end of your ruling.

I want to compliment you. I won't compliment you on the length of your ruling, Mr. Speaker, but I will compliment you on your admonition that this Assembly should make its rules and clarify its rules in a Rules Committee and not in the heat of a debate or in the heat of a political issue. And I agree, it was a very strong political issue from either side of the House.

You were 100 per cent correct in saying that those kinds of issues should be resolved in the Rules Committee. And I think that we have concluded at this time and times before that the best time to evaluate the rules of the House and how they're operating is towards the end of a term of a government when we're uncertain as to whether the government will be returned or an opposition party will form the government. And neither party can assume with assured . . . be assured in any way that they will be the ones who would benefit from the changes in the rules.

So this is the opportune time to deal with the revision of the rules if it's required because neither side involved can proceed with the thought in mind that they're going to gain advantage because we're not sure. None of us are sure. So from that point of view, I would agree with you thoroughly and I think I've said that myself at one time or another.

But I would encourage you to give some consideration to the other subjective matter that I raised because I think that was provocative to the opposition and should be considered in your ruling as well.

Mr. Kowalsky: — Thank you, Mr. Speaker. Mr. Speaker, I rise on a point of privilege. I rise resulting from your ruling and I refer to Beauchesne's, 5th Edition, no. 21 on page 13 where the title is the "PRIVILEGES OF THE HOUSE". And rule 21 states the very first sentence:

The most fundamental privilege of the House as a whole is to establish rules of procedure for itself and to enforce them.

And indeed that is what we have heard today, the remarks made by the Government House Leader and deputy leader and the House Leader on the opposition side, and indeed the member from Saskatoon Westmount.

I bring this to your attention, Mr. Speaker, with respect to your first ruling which I believe to be actually a ruling rather than an interpretation. And I would ask that you would consider that in addition to referring your recommendations which are well taken on the superseding motion and on the adjournment — the time of adjournment of the House motion — that you would also refer, consider referring the decision with all of the evidence that you have compiled to the Rules Committee so that the decisions can be made by the members of the House. The procedures we have established in this House are that rules that are to be . . . House rules that are to be changed should be done after referral to a Rules Committee. The Rules Committee brings its recommendation to the House and they are then adopted by the House as a whole.

I request that because I believe, Mr. Speaker, that in this case, there is no urgency at this particular time. That is, as you acknowledged yourself, as Mr. Speaker acknowledged himself, the problem managed to solve itself during the current . . . during the dispute past.

There may be a time when . . . or the House may agree that there is a need for the rule change. The House may also agree that there may not be a need for a rule change. And I would like to see it come up on the agenda of the Rules Committee as well.

I just leave that with you, Mr. Speaker.

The Speaker: — I thank you for your comments. If I am not mistaken, I have recommended exactly that in my ruling; that this be codified, put into our rules, changed, whatever the Rules Committee decides. But this is the ruling I make at this time.

Mr. Hagel: — Mr. Speaker, just very briefly I take my place to put on the record, not only recognition but respect for the process that you used which exemplified the conclusion that you reached, I believe. I think it was a most appropriate way of dealing with an emotionally charged dispute on procedures of the House to in effect place the pressure on the members of the House to find the solution, which is specifically, I believe, the spirit of your conclusion as well in recommending that the Rules Committee should once again meet to review the operations of this Assembly.

And I simply want to state, Mr. Speaker, my total agreement with the appropriateness of the timing of that in these months, few short months before the calling of an election, as the absolute most likely time when members of this Assembly can meet and arrive at new procedures for dealing with procedural issues that come before the House; and in the context of attempting to achieve statements which reflect that fair balance between the protection against obstructionism and the oppression of the majority.

So I simply, Mr. Speaker, stand on my feet to compliment you on representing the spirit of your ruling in your handling of the procedural dispute at the time as well and to recognize that that was implicit in both.

The Speaker: — I wish to thank the member from Moose Jaw North.

Mr. Shillington: — I just have a very brief comment. It is by way of lending support to the suggestion that the Rules Committee meet, and comment from my colleague from Regina Elphinstone, that it do so forthwith.

The consequence of Mr. Speaker's ruling as I see it, is that there is now only one way for a government . . . to stop a government from misusing its power and that is to ring the bells. As I see it, there's no other way an opposition can now do it.

That leaves us with two alternatives. One is that this institution will be even less effective than it has been in the past. The second is that opposition will engage in more bell ringing. I don't think . . . perhaps I've overlooked something, but I don't know what else an opposition will do now to stop an overbearing and arrogant government.

Both of those two alternatives are completely out of sync with current public opinion. Current public opinion want legislatures to be more effective. They want governments to be more accountable. Most Canadians relate to the comment which I've repeated so often. In the December issue of *Maclean's* magazine, when the editors described governments in Canada as elected dictatorships, most Canadians relate to that. They want these institutions to be more effective.

At the same time, they do not want such patently obstructive tactics as bell ringing. The consequence of your ruling, right or wrong — and I'm not getting into that — is that I think now that's all that's left to an opposition is to either accept something or ring the bells. The last device which an opposition might use to obstruct a

government is gone.

I say that, not to in any sense quarrel with your ruling, but to lend added weight to your suggestion that the Rules Committee should lead. I also heartily endorse the comment from the member from Regina Elphinstone. The appropriate time to do it is before an election. To simply point out what the member from Regina Elphinstone said — you're the chairman of the committee; the committee meets at your call; why don't you call it right away and begin the process?

The Speaker: — I just wish to thank all our members for the views they expressed and for the direction they have given, which I will follow, and for your co-operation in this matter.

Now the House business will proceed, and we are at government orders.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 53

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that **Bill No. 53 — An Act to amend The Provincial Auditor Act** be now read a second time.

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, it's been some weeks since we last discussed this Bill.

I might refresh the memories of those who have been following the passage of this particular matter by indicating that this Act proposes to amend The Provincial Auditor Act. The Provincial Auditor Act governs the roles, responsibilities, the duties of the Provincial Auditor, who is a servant of the Legislative Assembly, reports to the Legislative Assembly on financial matters that have transpired.

It's an important part of the accountability cycle in government to have an independent person to review the government's books to see that expenditures have taken place within the confines of the laws that are there, have taken place within the limits of the moneys that were voted by the Legislative Assembly.

It must be understood that it's the Legislative Assembly that votes the money and that the government cannot spend money without the Legislative Assembly in fact ordering the government . . . or giving the government the ability to do so. And it's the Provincial Auditor's job then to review what has taken place, and to report back to the Legislative Assembly as to whether or not the government has spent money in accordance with the rules of the Legislative Assembly.

Now this Act is proposed to be amended in four different ways. One, we have now a lifetime appointment of a Provincial Auditor. This Act proposes to make this a

six-year appointment. That's one of the changes. And there's an opportunity to renew the term for a further six years so that, as opposed to this person being a lifetime appointment, it's now a six-year appointment.

Secondly, it proposes to expand the various professional organizations to which a Provincial Auditor may belong. In the past I believe the Provincial Auditor, it was stated, should only be a chartered accountant. Now it's indicated that the Provincial Auditor can be a certified general accountant or a management accountant, therefore expanding the background that a Provincial Auditor might bring to the job.

Thirdly, it's proposed that the Provincial Auditor's funding, that the funding for his office should come from the Board of Internal Economy or more directly from the Legislative Assembly. Right now the funds for the Provincial Auditor's office comes through the government much as it does for all other government departments. But the Provincial Auditor is not just another department of government. It's an office that reports to the Legislative Assembly, all the members, and therefore it's important that it be independent of the government. And therefore this change is proposed to make the funding more directly come from the Legislative Assembly.

Fourthly, it provides that the Provincial Auditor should also be able to look at questions of value for money. That is to say, it should be able to look at the government's spending to see whether or not they're . . . you know, the acquisition and use of resources has been efficient and economical, to measure and report on the effectiveness of programs — and getting beyond the questions or the responsibilities that we have traditionally given the Provincial Auditor, which is to say that the Provincial Auditor reports that the expenditure of money has been legal; the Provincial Auditor reports that the expenditure of money has been within the budget as approved by the legislature; the Provincial Auditor reports that as far as he's concerned that the way in which departments carry out their business means that there won't be any risk of fraud or loss.

(1545)

And the auditor reports to us on those kinds of things, but doesn't go the step further to say whether or not the taxpayers might have gotten value for money in the way the government spends money. So this is an important new addition to his responsibilities, an addition that is shared by many other provincial auditors across Canada.

So what the government is proposing is to change the auditor's Act to now provide for those things. And I want to say that we agree with those changes. We agree with those changes and we will support the Bill on it's second reading. We agree with the spirit of the Bill that's before us.

I would want to add however that there are a number of areas that we think that the government should also have looked at, and perhaps should have gone further in. One is the question of the tabling of the auditor's report. The auditor provides a report every year to the Legislative

Assembly and he reports on what he has done in accordance with his mandate.

But as it stands, the members of the Legislative Assembly really can't look at the auditor's report, have much of an opportunity to review the report, until the legislature sits. Now given the way the legislature has operated in the last few years, even though the auditor's report might be finished in December or January, we don't get to look at it until the next March or April, depending — or in one case June — depending on when the legislature begins to meet.

And therefore we feel that we need to look at this whole question of the Legislative Assembly or its committees being able to begin the work of reviewing what it is the auditor has said, as opposed to simply having this report sit there for some months probably, without any review taking place. So that's one of the issues that the government should have looked at.

Another one is the relationship with private accounting firms which are appointed to perform audits of some government agencies. In 1983, I believe it was, the Act which governs the Provincial Auditor was changed so that it was very clear that the Provincial Auditor would supervise the work of these private accounting firms — supervise the work. They reported to him as to what it is they did with these agencies.

Now a year or so ago, the government changed it because they didn't like what was happening. They changed it so that the Provincial Auditor has less of an opportunity to . . . or has no opportunity to supervise, can only go in to do his own investigation of agencies if he feels that he's not satisfied with the work that the private auditing firms have done, which means a considerable delay in terms of any effective review of government agencies. So that's a matter of concern that I think that the government could have moved to clear up this Act.

Furthermore there's I think a problem with the appointment process, Mr. Speaker. We appointed a new auditor just this last year, and the Act says that the Minister of Finance will appoint an auditor, but after consultation with the chair of the Public Accounts Committee. And the reason for that is that so as to ensure that there will be independence, and it's so as to make it clear that the auditor is not just simply an appointment of the government, but also an appointment of the chair of the Public Accounts, who is an opposition member.

So it's clear to the public and all concerned that the person who is being appointed is someone who is being, in fact, appointed by both or answerable to both. And therefore it states that the appointment shall only be made after consultation with the chair of the Public Accounts Committee.

Now that can be interpreted in various ways. Consultation in some quarters is defined as meaning that there is some agreement or consensus as to what actually happens. In the case of this government, the Minister of Finance said, well here's the person I want to appoint to the job, and that's it. Now I've told you what I'm going to do, and that's consultation, not much caring for what it is

that we might have to say or what the chairman of the Public Accounts Committee might have to say about the appointment, not offering any alternatives and not really involving the opposition then in the appointment process.

I think that's a serious shortcoming. I think the spirit and intent of that section is to ensure that the opposition is in fact effectively consulted, and that there is in fact some consensus between the opposition and the government on the appointment, so that the person who is appointed, it can be said, is answerable to both sides of the House, is answerable to all sides, and does in fact enjoy the support of both sides of the House so as to ensure very effectively that the appointment is not just simply an appointment of the government. I think that it's very important that we look at that particular provision as well, Mr. Speaker. So that even though we agree with what it is that the government is doing, we have some obvious concerns about areas that we think also need looking at and need to be expanded or improved upon.

After second reading, it's proposed that this Bill will go to committee, the Public Accounts Committee, for review. And I think there's an opportunity there then to raise some of these points and also to look at the specific proposals that the government has, to make sure that they will in fact do the kinds of things that are set out and also to get some reaction to the proposals that might not be possible to get in the Assembly itself, Mr. Speaker. So we support that process.

Finally, Mr. Speaker, people must be asking themselves, after nine years of the PC government having nothing less than a stormy and controversial relationship with the Provincial Auditor — a very rocky relationship with the Provincial Auditor — people must be asking themselves why it is that in the last few months of its term it's now bringing an Act before us to significantly expand the role and the mandate of the Provincial Auditor and thereby give the impression that this government really cares about the rights and responsibilities and the effective functioning of the auditor's office. But I leave it for the public themselves to judge the government's motivations in this matter, and why it is that the government would in this last minute be bringing this Bill before us. But whatever the motivations are, Mr. Speaker, we agree with the intent of this Bill. Notwithstanding the shortcomings, we agree and therefore are pleased to support it on second reading.

Mr. Hopfner: — Thank you, Mr. Speaker. I won't belabour the issue too long. I would just like to say, Mr. Speaker, as vice-chairman of the Public Accounts Committee from the government side, that I concur in many of the things that the chairman, the member of the opposition, has stated in his remarks.

There are some things, however, that he had stated that I cannot concur in. But I do want to thank the government as a government member, a private member, and a member that sits on this committee as an independent member, to view the expenditures of government as well. From my perspective I'd like to thank the government for allowing this Bill to come to Public Accounts for an undertaking and a review there. I think that probably

what we will find is that there is a new reform taking place right across this land in regards to what we are seeing here.

So I would just like to say, Mr. Speaker, without labouring it, once again to thank the government for allowing us to have an opportunity of debating the Provincial Auditor's Bill in committee. Thank you.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

Mr. Rolfes: — Mr. Speaker, just on a point of order, I was wondering, have the rules changed quite substantially in the House? I note that on April 18 in second reading, the member from Cut Knife-Lloydminster spoke on second reading on Bill 53, An Act to amend The Provincial Auditor Act. Were we not in second reading at this time? It's not a major point. I was just wondering whether the rules had changed.

Mr. Hopfner: — Mr. Speaker, if I have risen and taken place in the Assembly to speak on it twice, I do apologize. It's been so long ago that we had discussed it, I couldn't remember.

The Speaker: — I wish to thank the hon. member for Saskatoon South for bringing this matter to the attention of the House. He is absolutely correct and his point of order is well taken.

Hon. Mr. Hodgins: — Mr. Speaker, as agreed by the Public Accounts Committee, I'd now like to move that that Bill be referred to the Public Accounts Committee.

Motion agreed to.

(1600)

SECOND READINGS

Bill No. 64 — An Act to amend The Income Tax Act (No. 2)

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. I am pleased to rise and move second reading of a Bill to amend The Income Tax Act, with the exception of an amendment to section 8(3) which clarifies that no carry forward is available for unused, labour-sponsored venture capital tax credits. The changes to The Income Tax Act result from the government's desire to increase the fairness of the tax system. The government perceives fairness as a progressive tax system which treats individuals with similar incomes similarly. Fairness must also recognize family circumstances in determining ability to pay provincial tax.

In 1985 Saskatchewan established support for the family as an essential element in undertaking personal income tax reform. Support for the family continues to be a fundamental factor directing Saskatchewan tax policy. In 1987 the province restructured the Saskatchewan tax reduction to target greater tax savings to lower and middle income families. The current reduction provides about \$52 million annually in provincial tax savings to 335,000 tax-filers.

The Bill to amend The Income Tax Act increases the progressivity of the income tax system by raising the high income surtax from 12 to 15 per cent and by introducing the Saskatchewan family tax credit. It also increases the income tax levied on corporations by raising the general corporate income tax rate from 15 to 16 per cent. Small business rate, I'm pleased to announce, will remain at 10 per cent.

The family tax credit will provide annual tax savings of \$200 per child for lower income families. The cheques for the first payment were mailed April 23. Other payments will be made in July, October, and January; thus benefits from the tax credit will be received as the impact of harmonization is felt. The credit will be phased out at the rate of 5 per cent of family income exceeding a threshold level which, for the July payment, is \$24,769. This means that a family with two dependent children and an income up to \$32,769 will benefit from the credit.

The threshold is the same one used by the federal government for the GST credit, and it as well will be indexed annually for inflation. The credit will be available to over 104,000 lower and middle income families in the province. This includes families on social assistance who do not incur an income tax liability. The family tax credit, when combined with the Saskatchewan tax reduction, builds upon the principle of protecting the family. These measures will provide Saskatchewan residents with an annual tax savings of \$87 million.

While this government has increased the fairness of the income tax system through such measures as the restructuring of the Saskatchewan tax reduction and the implementation of the family tax credit, the effectiveness of the income tax system as a tool for achieving social and economic objectives is severely hampered by the terms of the tax collection agreement between the province and the federal government.

This agreement permits a simpler, less costly method of collecting taxes. Individuals only have to complete one return, and only one tax administration is employed in the collection of both governments' income tax.

However, in return for these benefits, the province must accept federal deductions and credits in the calculation of Saskatchewan's income tax. Traditionally this has meant that Saskatchewan personal income tax is levied as a percentage of basic federal tax. Saskatchewan and the other provinces who operate under these agreements have long sought greater flexibility under the agreements. Saskatchewan believes that a move from tax on basic federal tax to tax on taxable income would provide the needed flexibility to better tailor the income tax system to the social and economic goals of the province, while also making the income tax system simpler.

I'm therefore pleased that the federal government is seriously considering greater provincial flexibility under the tax collection agreements. The federal Finance minister announced this week in Charlottetown at the Finance ministers' meeting that the federal government will release a discussion paper and proceed with consultations with the Canadian public, commencing this summer, on the issue. A successful outcome would

permit the government to undertake meaningful reform that would create a fairer, simpler, and more equitable tax system.

I'd be pleased to answer members' questions concerning these amendments when discussing the Bill at Committee of the Whole stage. It therefore gives me pleasure to move, seconded by the hon. member from Melville, that an Act to amend the income tax be now read a second time.

Mr. Kowalsky: — Mr. Speaker, I have but a few brief comments with respect to this Bill, and I wish to put it into context with the total . . . for a bigger, broader picture of taxation in the province.

Mr. Speaker, the minister opposite talked about fairness in taxation at some length. I would like to put a couple of figures on record, Mr. Speaker, as to what has been happening to the record of taxation as it affects people of Saskatchewan since 1982.

If you total . . . take a look at the increases in taxation and compare the sales tax increases with individual income tax increases with corporate tax increases by the province of Saskatchewan, that is revenue to the province of Saskatchewan, a rather interesting result comes about, something that makes you wonder about the fairness of the tax system in the province. It makes you wonder why people are revolting and so upset about this newly implemented PST (provincial sales tax) and why they were upset about the implementation of the federal GST (goods and services tax).

Mr. Speaker, if you look at the sales tax and how much it increased . . . now sales tax is something that is paid by people by the consumer. From 1982 to 1989, there's been a 44 per cent increase in the amount of revenue the province has generated from sales tax — 44 per cent. If you look at what's happened to the individual income tax during that same period of time, it has increased by 36 per cent.

But compare that with the tax increases to the province from corporations. Corporate tax has increased to the province only by 25 per cent in that same period of time. Now that's why people are questioning the fairness of the tax system, and why they are opposing to the extent of petitions — thousands upon thousands and tens of thousands of petitions — to this government requesting that that PST be removed. Because on top of the \$950 million that the GST, the federal government is taking out of this province since the beginning of this year, when you impose a \$450 million that the provincial sales tax is going to take, it's simply breaking the province. It's harming the economy of the province and it's leaving consumers without any discretionary income.

So, Mr. Speaker, I say that it is high time we had a good look at the fairness of the tax system. And that is why my leader made the announcement that upon election we would be doing away with the provincial sales tax, because this government simply cannot afford it.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Order.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

Bill No. 65 — An Act to amend The Corporation Capital Tax Act (No. 2)

Hon. Mr. Hodgins: — Thank you very much, Mr. Speaker. I rise today to move second reading of Bill No. 65, An Act to amend The Corporation Capital Tax Act. This Bill increases the general corporation capital tax rate from .5 per cent to .6 per cent of the taxable paid-up capital of a corporation, effective January 1, 1992.

Mr. Speaker, the increase in the tax rate is part of our sales tax harmonization initiative, effective January 1, 1992. All businesses will benefit from having the provincial sales tax paid on their inputs purchased in Saskatchewan, refunded to them through input tax credits.

To ensure, however, that businesses shoulder their share of the tax burden, the corporation capital tax rate and the corporate income tax rate will increase on January 1, 1992. Large corporations subject to the capital tax will therefore be paying a greater share of this increase in corporate taxes.

Mr. Speaker, let me briefly explain how the corporation capital tax is determined. The corporation capital tax is basically an annual tax on the wealth of a corporation. A corporation other than a financial institution computes its corporation capital tax based on one-half of 1 per cent of its taxable paid-up capital. The taxable paid-up capital of a corporation is essentially equal to the sum of long-term liabilities and shareholders' equity less a deduction of \$10 million.

Mr. Speaker, the tax rate change will increase revenue by an estimated 1.2 million for the '91-92 fiscal year, and by 4.7 million for the '92-93 fiscal year.

Mr. Speaker, I do now move second reading of An Act to amend The Corporation Capital Tax Act.

Mr. Lingenfelter: — Mr. Speaker, I just want to take a couple of minutes to comment on the Bill. Mr. Speaker, we've had a great debate in the Assembly on taxes and the implication of taxes being placed on individuals by this government. And I want to say that here again, it's not a question of how much money you raise by taxes but in fact where does the money go after government gets all of this money in that they collect from corporations, from individuals, and families in Saskatchewan.

Mr. Speaker, we all know that this government will garner from the public and from corporations, from land leases, from all sources in Saskatchewan this year in the area of 4.5, \$4.8 billion. This is the estimates, and of course that depends on the price of oil and uranium and how much wheat is grown, how much income tax farmers pay. But in general we estimate the income for the province this year from all tax sources to be in the area of 4.5, 4.8 billion. Some of this will be the increase that Bill 65 will allow here, an increase of a small amount on corporations, the amount they pay in Saskatchewan.

We're not opposed to this, Mr. Speaker, but I want to make it clear that what we are opposed to is the waste and mismanagement of this government under the leadership of the Premier, the individual member from the Estevan riding. We've indicated many, many sources where we would see the government saving the kind of money that would make these massive tax increases unnecessary, not this one in particular, but the massive increases in taxes that we're seeing today here in the legislature and previously.

Where could they be saved? Where could the money be saved? Well obviously when you look at the kinds of loans, guarantees, and grants that are being given to their friends in the corporate sector, Cargill for example — now true, when Cargill is up and running, they're going to take a little bit more taxes on the one side, but into the other pocket they're shovelling the money from the individuals in the province of Saskatchewan — large amounts of money. Not 5 million, 10 million — \$65 million being given out to this corporation.

Now you know what that means to individuals in Saskatchewan, Mr. Speaker. A large amount of taxes that are being paid are being shoved into the pockets of large, out-of-province corporations. What this is today clearly, Mr. Speaker, is an attempt to give the symbolic gesture to the public that they're taxing corporations. Well when the public realizes, and I'm sure many of them do realize that on the other hand this will not in any way compensate the Weyerhaeusers or the Cargill Grains, the amount that the taxpayers are paying out in other sources — for example, the new provincial sales tax; it's being handed back with the other hand — that this is nothing more than a ploy to try to signal to the public that these corporations, the very, very large corporations from out of province are paying their fair share.

(1615)

I'm saying, Mr. Speaker, what would be more honest, being more honest with the public would be to cut off some of these very large grants to out-of-province corporations are the interest subsidy. For example, Weyerhaeuser, guaranteed 8.5 per cent I believe it is on their loans, on the hundreds of millions of dollars, with no requirement for Weyerhaeuser to pay back 1 cent of interest unless profits are in excess of 12 per cent.

Now these are the ways that a New Democratic government would look at raising the kind of money that would be needed to carry out the social programs here in Saskatchewan, to solve the debt problem, and to do away with the provincial goods and services tax.

So while we're not opposed to this Bill, it in many ways is window dressing, an attempt to say to the public, you're paying hundreds of millions on the provincial sales tax and we're going to take a little bit from the Cargills. Well everyone knows that Cargill is getting more than their fair share in this province — more than their fair share.

The people who are taking it on the chin are the families in Elphinstone, in the Thunder Creek constituency, in Last Mountain-Touchwood — all of the families who are

having to pay hundreds of millions more, that what we are seeing here today is merely window dressing by a government I believe that in many ways is on the side of Cargill and Weyerhaeuser and is doing that at the expense of the families in Saskatchewan.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

Bill No. 66 — An Act to amend The Tobacco Tax Act

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. I rise today to move second reading of Bill No. 66, An Act to amend The Tobacco Tax Act.

This Bill increases the tax on fine cut or pipe tobacco from 2.7 cents to 4.4 cents per gram.

In addition, Mr. Speaker, the tax on tobacco sticks is increased from 2.7 cents per gram to 6.68 cents per tobacco stick. As a result of these changes, Mr. Speaker, Saskatchewan is now one of five provinces that tax tobacco sticks at the same rate as cigarettes. Also we have the fifth highest tax rate on cut tobacco. These changes, Mr. Speaker, are expected to yield about \$8 million in additional revenue for '91-92.

I am pleased to advise, Mr. Speaker, that I recently received a letter on the tax changes from the president of the Saskatchewan division of the cancer society. He mentioned that the tax increases will have a significant impact on tobacco consumption, particularly for those tobacco products that have had a price appeal to young people. As a result, on behalf of their organization, he expressed their sincere gratitude for the increase in tobacco tax rates.

I therefore, Mr. Speaker, now move second reading of an Act to amend The Tobacco Tax Act.

Mr. Lingenfelter: — Mr. Speaker, I want to make a few comments on this Bill. I understand that the increase in this tax will raise about an extra \$15 million for the Government of Saskatchewan. I understand as well that the government — nowhere in the Bill or nowhere in the budget speech and certainly not in the throne speech because there wasn't one — has given no indication of any attempt to, in the educational system, to try to encourage young people from smoking.

And I really believe that a part of this money — maybe not a lot of it but of the \$15 million — should be going directly to educational programs for young people in terms of trying to get them to, first of all, not start smoking and, if they've already dropped into the habit, to withdraw from it. You're obviously aware, Mr. Speaker, as all members will be, is that the earlier young people start smoking, the more likely they are to continue on throughout their life.

When it comes to the Department of Health, one of the largest expenditures in the budget, in fact by far the largest expenditure, is the Health department. And a large part of that is attributed directly to problems related to smoking, whether it's lung cancer or heart disease. Much could be saved on the other side if some of this \$15 million in increase in taxes were pegged directly to teaching young

people in particular the hazards

I want to say as well that another massive tax increase here on cigarettes is leading in large part to the cross-border shopping which we see, not only to North Dakota and Montana but also to Alberta. And the government really doesn't outline any ways or means of solving this problem of people bringing back large amounts of cigarettes, and with cigarettes, other purchases from North Dakota or Montana as well as Alberta.

And I don't know whether the minister has done any analysis into the fact that increasing taxes here on anything, whether it's the sales tax, the provincial goods and service tax extension, to a rate that is much higher than Alberta now on cigarettes, what that does to cross-border shopping.

And we all know that merchants in these areas along the border, even up as far as Regina now, have expressed grave concern about getting the taxes so far out of line with other jurisdictions in surrounding areas that it leads not only to the public going to these other jurisdictions to purchase things like cigarettes, but while they're there buying a great amount of other consumer goods.

Now I know the government has said that they intend to collect the goods and service tax, or attempt to collect it once it's harmonized at the border. But the problem there is, Mr. Speaker, is what you're doing is driving people even further afield. Because if the tax is collected in Saskatchewan at Saskatchewan border crossings but not at Alberta border crossings or Manitoba border crossings, what we are going to do is simply force people to travel outside of the province in order to return to Saskatchewan. And I use the border crossing of Willow Creek in Saskatchewan and Wild Horse in Alberta. What you're going to be doing is shifting great numbers of people from the Saskatchewan border crossings to the Alberta border crossings where the tax won't be collected.

And I guess what I'm saying clearly to this government is that all of their planning or lack of planning, better put, over the last nine years, these *ad hoc* programs that are announced without a master plan are the reason that we're in debt to the tune of \$14.3 billion in the province of Saskatchewan.

And this increase in the tax on cigarettes and tobacco — \$15 million — if there's no accountability on the other end, where the money's being spent, the waste and mismanagement, the travelling that this government does around the world, and I won't bother going through that list today. But the fact is this \$15 million doesn't even cover the interest of the debt for a month. And I really would urge the government to come to grips with its spending, with the unaccountability of the government, whether it's through the Crown corporations or public accounts. While we will not be opposing this Bill, simply giving more and more money to this government, when there's no check on their waste and mismanagement . . .

An Hon. Member: — Like pouring water on hot sand.

Mr. Lingenfelter: — I think is like pouring water, as my colleague indicates, on the hot desert sand. It quickly disappears with no accountability. All we see is governments flying around the world with no accountability.

So while we're not opposed to increasing tax on cigarettes, what we are opposed to is the complete waste and mismanagement and the spending like drunken sailors by this government that's long overdue for an election.

Some Hon. Members: Hear, hear!

Ms. Smart: — Thank you, Mr. Speaker. I want to make just a few comments about this legislation, as I've been listening to my colleague speak. I want to concur with the suggestion that we need to have better education in the schools to stop our young people from taking up smoking.

I also underline the concern about the cross-border shopping because people who have the money to travel to other parts of the country or down to the States can bring cigarettes back cheaper.

The people who are caught with this legislation are the people who have turned to tobacco sticks because they can't afford the packaged cigarettes. And I know in my constituency that's more and more of the people who are on social assistance and people on low incomes. These are adults, many of whom have been smoking for many years. And under the stress of trying to live with the Conservative government's cut-backs to people on social assistance, the ability to quit smoking, the tendency to turn to smoking as a way to deal with the stress, I think is quite high among low income people. And so this legislation hurts them the most.

And this government has not provided anti-smoking programs free of charge for people on lower incomes who might want to quit smoking. You can pay a lot of money to go to a smoking program, but these are people who don't have that kind of money. And giving them pamphlets that say smoking is bad for their health, condemning them for smoking and saying that if you're on low income you should not be spending your money on cigarettes, to think that the warning on cigarette packages is enough, flies in the face of the reality of the way human beings have to struggle to deal with the stresses of our society right now, particularly the stresses caused by the government's decisions to hurt the people on lower incomes worst of all.

They were already suffering from the high taxes that have come in in other ways. And they have turned to things like tobacco sticks as one way to try to have their smoking at a lower cost to them.

And while I am concerned about smoking . . . I wish I could stop myself; I'm smoking too much under the kind of stress that we're all suffering right now with the government. But I want to just express this concern and I want to call on the government to put its money where its mouth is, to fund non-smoking programs for people and to deal with people fairly — to deal with people fairly.

The Speaker: — Order, order. The hon. member has obviously made a point which many members are interested in because they're trying to also speak at the same time as she is. I ask them to refrain and allow her to speak.

Ms. Smart: — Well thank you, Mr. Speaker. Obviously they are interested in this issue. Perhaps they'll stand up and give their point of view.

I just wanted to speak on behalf of some of my constituents, the older people who have been smoking for many years and who are being hurt by this increase in their cost at this particularly stressful time.

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

Bill No. 67 — An Act to amend The Mortgage Protection Act (No. 2)

Hon. Mr. Hodgins: — Thank you very much, Mr. Speaker. I rise today to move second reading of Bill No. 67, An Act to amend The Mortgage Protection Act.

Back in early '82 mortgage interest rates were at a level of 19 per cent and higher. Saskatchewan home owners at that time were facing severe financial hardships because of those exorbitant rates and many of them were in fact in danger of losing their homes. The most serious situation had been getting worse year by year.

However, Mr. Speaker, this government, the . . . I'm sorry, Mr. Speaker. However, the government in power prior to April 26, 1982, did nothing to provide any relief to Saskatchewan residents facing those hardships caused by high mortgage interest rates.

I am pleased to say, Mr. Speaker, that it was this government who responded to the needs of the people of Saskatchewan when we introduced the mortgage interest reduction plan in July of 1982. This plan reduced mortgage interest rates to thirteen and one-quarter per cent for Saskatchewan home owners on their principal residences. Mr. Speaker, the mortgage interest reduction plan was a tremendous success, providing \$62.8 million in direct cash benefits to over 43,000 Saskatchewan home owners, interest rate relief that allowed them to keep their homes and enjoy a better standard of living.

By 1986, Mr. Speaker, interest rates were no longer at record high levels. Immediate interest rate relief was no longer required, but we did feel that there was a need to provide long-term stability. We therefore introduced the mortgage protection plan to provide Saskatchewan home owners with the assurance that they would not be faced with exorbitant mortgage interest rates for the 10-year period of September 1, 1986, through August 31, 1996. Under this program, Mr. Speaker, mortgage interest rates were reduced from nine and three-quarters per cent on mortgages negotiated from September 1, '86, to March 31, 1990, and to ten and three-quarter per cent from April 1, 1990, to February 28, 1991.

(1630)

I am pleased to report to you and to this Assembly, Mr. Speaker, that to date approximately 88,000 Saskatchewan home owners have received more than \$90 million in benefits from the mortgage protection plan.

Mr. Speaker, with the difficult economic times we are experiencing we have had to make some tough decisions. During my recent public consultations a number of people have suggested that the mortgage protection plan be eliminated. However there are many others who value this program and want long-range protection from excessively high interest rates.

As a result, Mr. Speaker, in order to balance the need to protect home owners while meeting other priorities such as agriculture, health, and education, the mortgage subsidy rate is being increased from ten and three-quarters to thirteen and one-quarter per cent. This change affects mortgage protection plan benefits beginning March 1 of 1991. It will result in a reduction in the average subsidy to about \$22 per month and savings to the province of \$26 million in '91-92.

Mr. Speaker, we have not reneged on any promise to the people of Saskatchewan. The mortgage protection plan remains in place to protect Saskatchewan home owners from very high mortgage interest rates.

I do now move, Mr. Speaker, that Bill No. 67, An Act to amend The Mortgage Protection Act, be now read a second time.

Mr. Shillington: — Mr. Speaker, if I were the Government House Leader I don't think I would spend a long time patting myself on the back over this one.

This represents one in a large series of tax increases. It's really what this Bill is. This is more money into the government coffers and less money available to consumers. It's no more complicated than that.

Mr. Speaker, this government came into office — just as an aside — came into office, axed the housing programs. We had a number of very successful housing programs. It is I think perhaps . . . members opposite have overlooked the fact that in 1981 we built 14,000 houses in Saskatchewan. We didn't build 1,400 last year. In 1982 when we asked government ministers, what are you going to do for housing programs? They said, it's The Mortgage Protection Act. I just point out in passing, we have now lost whatever small incentive this was to encourage new home ownership.

But more fundamental, this government is taking additional money from consumers. This government is once again trying to solve its fiscal problems by increasing revenue. We say to government members opposite, you can't solve your fiscal problems by taking money away from the consumers. That won't work. So long as you continue to behave like spendthrifts in office — and you are behaving like spendthrifts in office — taking additional money from consumers through things like The Mortgage Protection Act, is pointless. It is simply going to engender ill will and is going to make your defeat, whenever you are finally forced to call an

election, all the more crushing.

This is not the way to solve the problem. The way to solve the problem is to do something about the waste and mismanagement. It really is, Mr. Speaker, passing strange that at the same time the government, with all bugles blowing, with all flags flying, announces Fair Share Saskatchewan, but gives absolutely no detail about what it's going to cost. It is patently apparent they never asked what it's going to cost; they just decided they're going to do it and they're doing it, whatever it's going to cost.

Their own studies, internal studies, show that the cost is exorbitant, truly exorbitant. It's obviously going to . . . the cost of moving the employees is clearly going to be in the tens of millions of dollars. And that does not include other costs. It does not include the costs of the inefficiency.

I don't intend to go into this for a lengthy period of time, Mr. Speaker, because it's not entirely germane to the subject. I just point out that as long as this government feels free to waste money in the grandiose fashion that it does, as long as it feels free to announce something like Fair Share Saskatchewan with nary a thought as to what the taxpayer must pay for this mischief, as long as the government does that, additional tax revenue is absolutely wasted.

This will not solve the problem. This should be viewed for what it is. It is a broken promise in the midst of a very bad housing market; and it is a very bad housing market. This small bit of protection, this small bit of incentive to new home ownership, should not be taken away — and they are.

The housing market in this province has just about ground to a halt. Mr. Speaker, I talked to someone who had completed . . . a builder who'd built a new house. He indicated to the home owner that no matter what, he would be around to look after any deficiencies. And then he said, I have nothing else to do; I'm laying the men off when this job is over. They do it one at a time.

In the 1970s, Mr. Speaker, we couldn't get competitive bids from contractors. They were that busy. Our biggest problem was getting competitive bids. Now we have contractors, now we have the construction industry, just about ground to a halt. What does this government do? It not only aggravates the problem with things like Fair Share Saskatchewan, but at the same time it takes away whatever incentive this may have been — and I think it was some — whatever incentive this may have been to build additional houses.

Mr. Speaker, when you think about it from the point of view of a new home owner, this provided some incentive to build houses. If you had a mortgage payment of — I'll pick a figure out of the air — a thousand dollars, this might provide a subsidy of 2 or \$300 per month, a significant amount for new home owners, a significant incentive to build the home now. And this has been lost.

This Bill, Mr. Speaker, represents terrible planning in terms of whatever policy we have left, if any, with respect to encouraging the building of homes. I think if the hon. members answered it honestly, they'd say they've no

program to build new homes — none at all, none at all.

That essentially, I guess, is what you said back in 1982. The result has been that we're not building a tenth of the houses we were then, and that has very significant implications. Not only, Mr. Deputy Speaker, are people not working — and they are not — in addition, I think in the long run we're building up a bit of a deficiency in our housing stock.

And at some point in time, Mr. Speaker, the government's going to change. All indications are that that day . . . the sun is right on the horizon. You can see the sun rising above the horizon at this point in time. A new day is going to dawn. Prosperity will return to this province. This scourge will not last for ever. And when it does, Mr. Speaker, it is with every possibility that prosperity will return. And when prosperity returns, we might well face runaway house prices. Why? Because we haven't built any for nine long years, nine long, lean years. It doesn't seem like an immediate problem, but when it comes, when the house prices start to run away with themselves, that's too late to try and deal with it.

The only good housing program is a program which builds houses all of the times, in good years and bad. A program which just builds houses in good years is a very bad program. It meets the needs of absolutely no one except possibly the speculators. And even then, I think they lose the shirt as much as they make any money on it.

It represents bad planning from the point of view of the house construction industry. It represents very bad fiscal planning. The proper approach to this government's fiscal problems is not to take additional money from the consumers but to do something about waste and mismanagement. And it just goes on endlessly. No sooner have we thoroughly canvassed one item of waste and mismanagement, then we got a new one. No sooner are we finished with advertising and so on, then we get something like Fair Share Saskatchewan coming at us.

We say, Mr. Speaker, that this Bill is bad. It is bad fiscal planning. It is bad from the point of view of home owners. It is essentially unfair to consumers as well, Mr. Speaker, unfair that this government takes money out of their pockets and squanders it on any number of hare-brained schemes — and this government's schemes are thoroughly hare-brained. I therefore say, Mr. Speaker, that I will be voting against this Bill.

Mr. Rolfes: — Mr. Deputy Speaker, I had not intended to speak on this Bill, but when the minister introduced this Bill, he, with glowing terms, Mr. Speaker, said how the government had provided approximately \$90 million to the taxpayers of Saskatchewan in mortgage reduction interest rates.

What the minister failed to indicate to the people of Saskatchewan, that while the government made available loans to individuals in Saskatchewan at reduced interest rates, at the same time that government, the Progressive Conservative government, cancelled the property improvement grant.

Now we have to remind people what the property

improvement grant was in 1982 when these people formed the government. Every home owner in 1982 received a certain amount of money in order to set aside or to decrease the hardships that they may have to endure in regards to property taxes. Renters received also an amount and so did business people.

And just so that the members opposite don't forget just exactly what the property improvement grant paid out, I have the *Estimates* here for 1982. In 1982 it was estimated that we would pay out \$73,963,400. In one year, Mr. Deputy Speaker, the people of Saskatchewan received over \$70 million. Now if you multiply that by nine, if you multiply that by nine — the time that these people have been in office — you will note, Mr. Deputy Speaker, that the people in this province have forgone, because of the action taken by this government, the people of Saskatchewan have forgone over \$700 million in rebates.

Now subtract the 90 million that the member opposite says that they have had rebated to people in Saskatchewan. That means that the people in this province have forgone over \$600 million in rebates that they would have received had the government opposite not cancelled the property improvement grants.

So I ask the people of Saskatchewan: are you better off because the government gave you a rebate of \$90 million, or would you have been better off if they had rebated \$700 million? And the Minister of the Environment, according to his arithmetic, says yes they've have been better off if they'd received \$90 million rather than the \$700 million.

And, Mr. Deputy Speaker, under that kind of mathematics, is it any wonder that we have a \$5 billion deficit. Under that kind of mathematics do we have any wonder at all.

(1645)

This Bill that is before us, Bill 67, An Act to amend The Mortgage Protection Act, comes definitely at the wrong time. There are virtually no housing starts in this province at all. Saskatoon has very, very few — very, very few. And Regina, under your Fair Share program, Mr. Minister, let me remind you I doubt very much if that comes to fruition, that there will be very many homes built in the city of Regina. Not very many at all. The mortgage interest rate doesn't make any difference if you don't have to build any homes. I mean that seems to escape your thinking, Mr. Minister, that in Regina the people don't have to worry about this one because they won't have to build any homes.

So I'm saying to you, Mr. Minister, that this Act, what you are trying to implement today, certainly comes at the wrong time. That is not assisting the home industry business. What you are doing is putting another impediment in its way at a time when the housing industry can ill-afford, certainly the Regina industry can ill-afford, to have this, plus Fair Share Saskatchewan implemented at the same time. You are doing a disservice to the city of Regina and you're certainly, by this Bill, doing a disservice to the people of Saskatchewan.

So in summary, Mr. Deputy Speaker, I will not be supporting this Bill. But I do want to again say to the people of Saskatchewan, if you can follow the logic of the minister who introduced this Bill, the member from Melfort, that they are better off had the property improvement grant been in existence where they would have received over \$700 million in tax rebates, than to receive \$90 million under this government's program, and the minister opposite says that the people of Saskatchewan would be better off because they have forgone over \$600 million in rebates that they would have received on the property improvement grant. Mr. Speaker, Deputy Speaker, that logic doesn't flow at all, and I think the people of Saskatchewan have been wise to these people for a long time.

While I'm on this tax increases, Mr. Speaker, let me remind the minister also that since they have been in government, that the average family in Saskatchewan has paid \$1,800 a year more in taxes than they did in 1982 — \$1,800 more in taxes. As my colleague indicated, your problem is not revenue. Your problem is that you haven't got control over your expenditures. That is your problem.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — I think, Mr. Deputy Speaker, it has been said time and time again, these people opposite are spending money like drunken sailors. They have no control over it. We know exactly what's happening with Fair Saskatchewan. They are indicating, Mr. Deputy Speaker, again, no plan. They're indicating it'll cost them 8 to \$12,000 per employee, when the actual truth of the matter is — in internal studies that have been done — it is much, much closer to 36 or \$40,000 or maybe even more, or even more, Mr. Deputy Speaker.

And I say to the members opposite that the people of Saskatchewan are very wise to you and they will tell you that they will not support this Bill. They will not support your policies, and at the next election they will tell you in no uncertain terms. And, Mr. Deputy Speaker, I do not intend to support Bill 67, An Act to amend The Mortgage Protection Act. Thank you very kindly.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Thank you, Mr. Deputy Speaker. I don't want to speak long on this, but I do want to add another dimension to this scrutiny of the government's housing policy that I don't believe has been mentioned to date. My colleague has just commented on the elimination of the property improvement grant program that was in existence prior to 1982.

I want to comment on the changes to The Mortgage Protection Act (No. 2) that are enabled by way of this Bill 67, and link them to the elimination of the home improvement grant that was ballyhooed by the government prior to the 1986 election and part of their 1986 election campaign. Just to remind Saskatchewan people that this was one of the major planks of the government's re-election platform in '86, and that it was cut unilaterally last spring when the Premier goes on TV and announces that it is over, effective with his remarks as he's speaking.

Now I just want to remind the people of the record of this government and how the Premier did this in unilateral fashion with no consultation with any of the parties affected. And I personally had numerous constituents who had been saving precisely to use that government program, to take advantage of the \$1,500 matching grants of government money, and had no advance notice whatsoever that this program would be terminated, and were left out in the cold at the drop of a hat as the Premier talks to them on television. In fact I even had one constituent who had mailed his application form that day and was told that he no longer qualified.

It's symptomatic of this government's disregard for the people of Saskatchewan, and emblematic of their whole style of government, that when we come to this Act to amend The Mortgage Protection Act, it too is abruptly and unilaterally announced by fiat, by press release, leaving Saskatchewan people in the lurch.

And just one final footnote with respect to the government's housing policy which is brought up by means of this Bill to amend The Mortgage Protection Act. I'd just like to say that the people of Saskatchewan as yet have absolutely no protection when they go to build a new home; they have absolutely no recourse to the warranties associated with new home construction.

There is no office or agency or department of the Government of Saskatchewan to which they can go if they're having problems with their new home and the construction of it, which I think again is symptomatic of the total disregard that this government has for the people of the province — when they make their single largest investment in a new home and then have absolutely no recourse to protection, not even a Department of Consumer Affairs, which has been eliminated — symptomatic of the false economies of this government, the inversion of priorities.

And for these reasons I too will not be supporting the government in its proposals to amend The Mortgage Protection Act, Bill No. 67. Thank you, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

The division bells rang from 4:52 p.m. until 5:07 p.m.

Motion agreed to on the following recorded division.

Yeas — 25

| | |
|------------|----------|
| Devine | Neudorf |
| Schmidt | Gerich |
| Klein | Swenson |
| Hodgins | Britton |
| McLeod | Sauder |
| Lane | Toth |
| Meiklejohn | Gleim |
| Hardy | McLaren |
| Kopelchuk | Baker |
| Wolfe | Swan |
| Martens | Muirhead |
| Hopfner | Saxinger |
| Martin | |

Nays — 14

| | |
|--------------|-------------|
| Rolfes | Hagel |
| Shillington | Lyons |
| Lingenfelter | Calvert |
| Tchorzewski | Lautermilch |
| Brockelbank | Trew |
| Atkinson | Smart |
| Anguish | Koenker |

The Bill read a second time and referred to a Committee of the Whole at the next sitting.

Bill No. 63 — An Act to amend The Liquor Consumption Tax Act

Hon. Mr. Klein: — Mr. Speaker, I will be moving second reading of Bill No 63, An Act to amend The Liquor Consumption Tax Act.

This Bill makes two amendments to The Liquor Consumption Tax Act which are related to the harmonization of our provincial sales tax with the GST. The first change amends the definition of value to exclude the GST from the liquor consumption tax base. This amendment is retroactive to January 1, 1991. The second change establishes a common tax rate with The Education and Health Tax Act and the GST by lowering the liquor consumption tax rate from 10 per cent to 7 per cent.

Most of the revenue lost from the decrease in the tax rate has been compensated for by an increase in the Liquor Board's product mark-up. However, we estimate liquor licensees will receive a benefit of about three and a half million dollars because they will be required to collect 3 per cent less tax on their liquor sales.

Mr. Speaker, The Liquor Consumption Tax Act will be repealed in its entirety next January when harmonization with the GST is complete. Beginning next year those businesses which currently file separate returns for liquor consumption tax and education and health tax will be able to account for all of their provincial sales tax on a single return.

Mr. Speaker, I move that Bill No. 63, An Act to amend The Liquor Consumption Tax Act be read a second time.

Mr. Lautermilch: — Thank you very much, Mr. Speaker. I have just a few short comments to make with respect to Bill 63 as it relates to the hotel industry. Mr. Speaker, I'd like to indicate that we, members on this side of the House, will be supporting the Bill because it in effect does reduce the consumption tax from 10 per cent to 7 per cent. But I want to say, Mr. Speaker, that we don't view this as being a Bill that will alleviate the problems that are facing Saskatchewan hoteliers.

I would want to, in speaking to this in second reading, just share some information with you and members of this House, Mr. Speaker.

The fact is that the hotel industry in Saskatchewan is facing some very, very desperate economic times. In the past six years we have seen in Saskatchewan 12 hotels burnt. We've seen 33 hotels that have closed their doors and are no longer functioning, and we've had a list of 91 hotels that have either faced bankruptcy, foreclosure, or repossession from previous owners. And I say, Mr. Speaker, that the reduction to 7 per cent has indeed not alleviated these problems. We have a total of 476 hotels in this province that are looking for some assistance from this government.

Mr. Speaker, the hoteliers in this province indicate to me that because of the introduction of the PST, foods sales have decreased the amount of between 25 to 35 per cent which they can ill afford. And I want to say to the people of the hotel industry, on speaking to second reading, and to members opposite that that is one of the reasons that members on this side of the House have made the decision that if we form government — if we are fortunate enough to form government — we will be removing the tax on food that is causing so many problems for restaurateurs and hotel owners in this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

(1715)

Mr. Lautermilch: — Mr. Speaker, in speaking to this Bill, the minister indicated that the Liquor Board has indeed increased prices and they have. They have decreased the gross percentage of profit from sale of beer for the hotel industry from 14.2 per cent to 11.2 per cent, if they're to sell at the same price that you can purchase beer in the liquor store.

And I say, Mr. Speaker, in closing my remarks, that members on this side of the House find the actions of this government with respect to the hoteliers unacceptable because they have done nothing but chase them out of business in this province. And we on this side of the House are committed to keeping that industry vibrant and viable and we will be doing all that we can, sir, to assist them in maintaining their businesses if and when we form the government. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

The Assembly adjourned at 5:16 p.m.