

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

Mr. Toth: — Mr. Speaker, I give notice that I shall on Tuesday, December 17 ask the government the following question:

Regarding Marge Haddad: (1) Was she fired? If so, was she fired with cause or without cause? (2) Was the position she held filled by a replacement? If so, name the replacement. (3) What were the details of Marge Haddad's employment including compensation, job description, and qualifications? And what are the details of employment including compensation, job description, and qualifications of her replacement?

Mr. Boyd: — Mr. Speaker, I give notice that I shall on Tuesday, December 17 ask the government the following question:

Regarding Myles Morin: (1) Was he fired? If so, was he fired with cause or without cause? (2) Was the position he held filled by a replacement? If so, name the replacement. (3) What were the details of Myles Morin's employment including compensation, job description, and qualifications? And what are the details for employment including compensation, job description, and qualifications for his replacement?

Mr. D'Autremont: — Mr. Speaker, I give notice that I shall on Tuesday, December 17, 1991 ask the government the following question:

Regarding Diane Leib: (1) Was she fired? If so, was she fired with or without cause? (2) Was the position she held filled by a replacement? If so, name the replacement. (3) What were the details of Diane Leib's employment including compensation, job description, and qualifications? And what are the details of employment including compensation, job description, and qualifications for her replacement?

Mr. Goohsen: — Mr. Speaker, I give notice that I shall on Tuesday, December 17, 1991 ask the government the following question:

Regarding Elaine Kivisto: Was she fired? If so, was she fired with cause or without cause? Was the position she held filled by a replacement? If so, name the replacement. What were the details of Elaine Kivisto's employment including compensation, job description, and qualifications? And what are the details of employment, including compensation, job description, and qualifications for her

replacement?

Mr. Martens: — Mr. Speaker, I give notice that I shall on Tuesday, December 17, move that an order of the Assembly do issue for return showing:

Regarding Marg Benson: Did she consult regarding any departments, boards, or commissions other than those directly under the responsibility of the Minister of Agriculture? If the answer to number 1 is yes, name the departments, boards, or commissions which were the subject of her consultation, and the proportion of the costs of her contract paid for by each department, board, or commission. What was the total amount of money paid to Marg Benson? And provide a breakdown of the total to show what part for expenses and identify the exact nature of the expense. Was the contract awarded to her advertised or tendered, and if not, why not? What specific employment history does she have that qualified her for this contract? And what was the exact duration of her employment on this contract, including the date she started receiving pay?

INTRODUCTION OF GUESTS

Ms. Crofford: — Thank you, Mr. Speaker. I am very pleased today to introduce to the Assembly, through yourself, in your gallery a group of women who are in a program to help women return to the paid work force. It's a program sponsored by Canada Employment and Immigration through Atira Consulting. They're here with their instructors, Arlene Franko and Phyllis Chuly.

And I want to mention that during the election campaign, myself, Shirley Schneider and Louise Holloway, representing their respective parties that were running in the election, went to a question and answer period with the class. And I was very impressed with how prepared they were to ask us questions and how interested they were in the answers. So I'd like you to help me welcome them today.

Hon. Members: Hear, hear!

Mr. Renaud: — Mr. Speaker, through you, to you and to this Assembly, I would like to introduce three very special people to me. In your gallery, Mr. Speaker, are my wife Sylvia and my twin daughters, Jacky and Josy. I'd ask that you please welcome them.

Hon. Members: Hear, hear!

Mr. Kluz: — Thank you, Mr. Speaker. I would like to introduce to you and to all members of this Assembly a very special person in my life. My wife Carol is observing today and she is in your gallery, Mr. Speaker. I would like all members to welcome her to this Assembly.

Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Mr. Speaker, I'd like to recognize and welcome to the Assembly, in your gallery, Don Kelsey,

regional co-ordinator of the National Farmers Union, and Jim Robbins, also with the National Farmers Union. Welcome.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Financial Management Review Commission

Mr. Devine: — Thank you, Mr. Speaker. My question is to the Premier. Yesterday, Mr. Premier, we asked you to apologize for the Minister of Economic Diversification and Trade because he misled the House and misled the public with respect to individual like Arden Knoll, which has been misrepresented by the minister.

Today, Mr. Speaker, I have before me a newspaper article that says, again, the Minister of Economic Diversification has misled the House. And he owes an apology to not only the Assembly, but to Mr. Dutchak, to Roland Crowe, to the FSIN (Federation of Saskatchewan Indian Nations). And I ask the Premier today if he is prepared to demand an apology from the minister and if in fact he would ask the minister to apologize to Mr. Sid Dutchak and to Mr. Roland Crowe, chief of the FSIN.

Hon. Mr. Romanow: — Thank you, Mr. Speaker. The answer to the member from Estevan is that I do not see any grounds for the request made by the hon. member from Estevan. Members in this House are free to interpret documents which are tabled or to interpret events and statements as they see fit, and you people of course take full advantage of that. In the case of the minister, his interpretation is stated as there. The documents speak for themselves, and I don't see any basis for the member's question.

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Speaker, a new question to the Premier. Mr. Premier, obviously this is connected to your special inquiry set up called the Gass Commission with its political agenda and ministers like your Minister of Economic Diversification who do the interpretation, the political interpretation. Today in the newspaper we find out that it was fine for the NDP (New Democratic Party) administration to hire Mr. Dutchak as a lawyer. The FSIN and the Indian community thought it was fine. But if another administration does, then it's totally unacceptable and it's that kind of interpretation, plus picking on an innocent third party, that we're worried about and the public's worried about.

Now I asked you, Mr. Premier, wouldn't you think it's fair if you want the media to endorse this process of yours, your own Executive Council commission, to have the member either muzzled or apologize or put some guide-lines in place. Or in fact, Mr. Premier, let the auditor, the Provincial Auditor, head up this commission, so we can avoid the political mud slinging and the witch-hunt that your political ministers are on.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I mentioned to the

hon. member before as I will again this morning — I don't know how many times I've given this answer to them — the open-the-books exercise stems from the fact that when he was the premier of the province of Saskatchewan, the Provincial Auditor complained, and rightfully so, that 50 cents out of every dollar spent — raised and spent — he could not account for. That said that that was closed government. That said to us, Mr. Speaker, the only thing that needed to be done was to open up the books.

And we've established what we think is an independent, credible commission with its own terms of reference, free to interpret those terms of reference as it sees fit to do its job. This commission, I'm sure, will know whether or not it's going to be bound by any comments made by any member of this Legislative Assembly, including your comments.

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Speaker, supplementary question to the Premier. Mr. Premier, don't you see that by having your cabinet colleagues go on these political witch-hunts — picking on Arden Knoll when your previous administration hired athletes, picking on Sid Dutchak or picking on the native community for having him hired, when in fact you did the same — and then setting up, Mr. Speaker, Mr. Premier, on a commission of inquiry that is going to be in secret, that is partisan, and set up for the very reason to pick on people, according to the Minister of Economic Diversification, when you put those all together, your hand-picked commission, tainted by politics and now picking on innocent people, is beginning to have concerns, Mr. Speaker, not only among Wheat Pool . . .

The Speaker: — Order, order, order. Does the member have a question? The member has a question . . . I want the member to ask his question. All right?

Mr. Devine: — Supplementary. Mr. Speaker, supplementary to the Premier. The members opposite, Mr. Speaker, can laugh and make a joke of picking on innocent people. They don't mind the witch-hunt.

My question to the Premier is simply this: don't you think as the result of the embarrassing witch-hunt comments made by your minister, which he is being asked to apologize for in this House and to the public, that it's time to put the Provincial Auditor in charge of this commission so it's open to the public — no secret meetings — and everybody in Saskatchewan will know exactly what's going on, so that we can protect innocent people from the witch-hunt that we've seen in the past?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I repeat again to the hon. member from Estevan that the Provincial Auditor is fully co-operating and fully being apprised and informed of the circumstances pertaining to the Gass Commission. And the fundamental question which is being driven over and over again, erroneously but I think quite transparently — I think we know the reasons why — is wrong.

The Provincial Auditor's involvement from the very beginning is there, and as I say he's a participant. The report will be tabled. The Public Accounts Committee will meet in the ordinary course of events. The report will be debated. And I think that the report will lead to future suggestions which will strengthen not only the Provincial Auditor but *Public Accounts*. I think it will improve accountability. It will continue to make government more efficient. And that's basically what's behind this.

I would say before taking my place finally, Mr. Speaker, that if the hon. member is saying that in the interim the government should stop its obligations of governance, that, I tell the hon. member, we will not do, we cannot do, constitutionally.

If we see an expenditure which we think is not proper, such as your expenditure of \$20,000 a month of corporate strategy advice on your media, we have to make a decision. And the decision we made was to cancel it and to make the contract public. That'll take place. It won't affect Gass. He can decide one way or the other what he wishes to do with any of those things.

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Speaker, supplementary question to the Premier. Mr. Premier, this commission is a creature of Executive Council. And your minister says, after he picked on Arden Knoll said . . . the government revealed the contract Tuesday, calling it the kind of thing the Gass Financial Review Commission has been hired to find.

Mr. Premier, if that's the kind of thing that it's hired to do, to pick on athletes when in fact we find that you hired athletes and you promoted them; if it's in fact to pick on Sid Dutchak when in fact you hired him and used him; if it's to pick on innocent people, Mr. Speaker, Mr. Premier, don't you agree that you could have the public auditor, the Provincial Auditor head this commission up, so that in fact the partisan comments and the excuse to make those partisan comments wouldn't be an avenue for people to be picked on that are innocent victims of the witch-hunt that you're on today.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I say to the hon. member from Estevan again this is not the objective of the Gass Commission. The terms of reference are very clear. This is the hon. member's deliberate misinterpretation of the terms of reference of Gass. I think the hon. member really, with the greatest of respect, is losing a great deal of credibility in this line of questioning.

He knows Mr. Gass well and he knows all the other members of the commission very well too, and he knows the terms of reference.

An Hon. Member: — You bet we do.

Hon. Mr. Romanow: — Yes the member, the member says they bet they do. The credibility of the opposition here is being very seriously undermined by refusing to participate in the Gass Commission and by categorizing

all of this on a false assumption, on the false assumption of a witch-hunt. This is not a witch-hunt.

This is a process to enhance and improve the efficiencies of government which if I may say so, and I say so with some trepidation lest you will seize on this, which if I may say so is badly, badly in need in the province of Saskatchewan after nine and one-half years of the way you managed the finances of this province.

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Speaker, a supplementary to the Premier. Mr. Premier, I just ask this question. Do you agree with your minister when he said, and I quote: he didn't know what work Dutchak had done, but he was outraged by the amount of the contract which was \$125 per hour. Do you agree with that comment, Mr. Premier, when in fact you under your administration hired Mr. Dutchak to do similar kind of work at similar kind of expenditures? Do you agree with the comment from your minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I think that there are many aspects of the particular contract which, by the way, you are raising now, but I'll have to refer to it, the Dutchak contract. I find interesting when my colleague, the House Leader raised this issue, that this was entered into by something called the Saskatchewan Diversification Corporation, something which no one even knew existed until about two weeks before the election campaign took place.

The issue which is as important as the hourly rate to us, I think, is what it is and how it was legally and how it was in terms of open government that a company called Saskatchewan Diversification Corporation, SDC for short, not to be mistaken for STC (Saskatchewan Transportation Company), was allowed to function without this kind of scrutiny.

That's the whole point. We want to open up the books — SDC closed the books and the contract was made in secret and only revealed after we got into power — to determine whether or not this is the kind of thing a government should be doing. That's exactly the issue partly that Gass is talking about. How is it and what is it and under what authority does the Saskatchewan Diversification Corporation get set up? I ask you, sir, why did you keep it secret for all of these months . . .

Some Hon. Members: Hear, hear!

Mr. Devine: — Thank you, Mr. Speaker. A new question to the Premier. Mr. Dutchak has said that he was asked by the aboriginal community to do consulting and Dutchak's claims and I quote: are backed by Chief Roland Crowe, head of Saskatchewan federation of Indian nations who says Dutchak was instrumental in getting a bilateral agreement on Indian land entitlements signed just before a provincial election.

Now, Mr. Premier, do you agree with your minister that economic diversification and land entitlement, very

important to the aboriginal people, is a complete waste of time for Mr. Dutchak to be working on and being paid \$125 an hour? Is that what you're saying? That it's a complete waste of time? And you are disagreeing with Chief Roland Crowe and disagreeing with a man that you hired to do the same just because you're on this political witch-hunt. Is that what you're saying, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — No, Mr. Speaker, I say to the hon. member from Estevan, I'm saying exactly the opposite. I'm saying that we very much support the question of treaty land entitlements. We very much support the need to move these along. We have no objections of counsel and other advisors being hired.

I'm not sure whether the \$125 an hour is or is not the issue. But the issue for me is this, that this contract was entered into by the Saskatchewan Diversification Corporation. This contract was entered into by secret. This contract involved an expenditure of public funds around whom nobody in the public absolutely knew anything about. In fact we didn't even know about the contractor until 10 days before the election. That is secret government. That's closed-door government. That is wrong and that is what this government is going to eliminate. We're going to have open and honest government.

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Speaker, a final supplementary to the Premier. Mr. Premier, if you don't want this to be secret, then, Mr. Premier, why don't you open it up to the public?

I repeat, Mr. Premier, if you don't want government to be secret, then why don't you open up your commission to the public and to the media and to everybody else and come clean? Why don't you do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, it is exactly that kind of a question and premise which this government objects. The premise behind that question is why don't "you," Mr. Premier, open up "your" commission. That is the way you operated it, sir; that's not the way we operated it. We have set up an independent commission which will make the decision of openness by itself because we want it to operate independently, impartially, and fairly because . . .

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Before I recognize the next member I just want to ask members to please not interfere either when the Premier is speaking or when the Leader of the Opposition or a member in the opposition is asking a question. It serves no purpose. If we can't hear the question, then we can't hear the answers. So I ask members to please co-operate, let the member ask his question, and let the minister or the Premier answer the question.

And while I'm on my feet, I'll ask members, please, to

distinguish between a new question and a supplementary question. Thank you.

Mr. Swenson: — Thank you, Mr. Speaker. New question for the Premier. Mr. Premier, your tribunal is paying one Donald Gass \$10,000 per month. This tribunal has said that it meets each Tuesday. If there are five Tuesdays in a month, Mr. Premier, that works out to \$2,000 a day. Your minister of Economic Development and Trade has said that paying Mr. Dutchak a thousand dollars a day, a sum that you yourself paid Mr. Dutchak when you were deputy premier of this province, to work on one of the most fundamental agreements ever achieved in this province with our native people, is too much. And yet you will pay Mr. Gass \$2,000 a day to do his dirty work behind closed doors.

Mr. Premier, in light of what your minister has said, do you think that's right?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I must say that this is a sorrowful and somewhat pathetic question by the hon. member from Thunder Creek. Because the hon. member from Thunder Creek either knows — I say he does know or should know — that with the exception of Mr. Gass, none of the other commissioners have taken a per diem.

Gass's payment has been revealed publicly. It's either \$300 a day or \$400 a day, not 2,000 or some wild figure which has been dragged out of the air.

And you know, the thing that is most discouraging about this, they do this purposefully, hoping that somehow there will be a press headline out of the operation. Three of the commissioners are in effect being public spirited by no per diems, only actual expenses. And that figure — I don't have it in front of me but I can provide it very quickly to the hon. member, and you have it — is nowhere near what he says.

Now why do you raise that figure? You know why you raise that figure in that term and that context? Why is it that you refuse to even deal with Gass? You do so because you do not have at heart the best interests of the people of the province of Saskatchewan in improving the books and the guide-lines. What your real agenda is is to protect nine and one-half years of waste and mismanagement. You're not going to get away with it.

Some Hon. Members: Hear, hear!

The Speaker: — I hate to interrupt question period again, but that excessive clapping simply takes up question period time and I think it's unwarranted. Let's be reasonable in our actions in this Assembly.

Mr. Swenson: — Supplementary, Mr. Speaker. Supplementary to the Premier. Mr. Premier, you do not seem to see the contradiction here today. Your minister can stand in this House, mislead this House in the regard of Mr. Dutchak and his salary, and make a big thing out of what Mr. Dutchak was being paid. Things that were very similar to what you paid him. We raised the question of Mr. Gass's salary. We've raised the questions of what is

happening behind closed doors with this particular tribunal which you created. I do give you credit for one thing, Mr. Premier. You at least have not paid your political partisans on that tribunal.

Mr. Premier, given the evidence laid before you today, the contradictions of your minister in this House, will you now do the right thing, appoint the Provincial Auditor as the head of this tribunal? Let him pick who he thinks is proper to review the books of Saskatchewan and open it up to the public. Will you do that, sir, today?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I want to assure the hon. members opposite the books will be opened, notwithstanding their best attempts at obstruction. They will be open. I guarantee you that, sir.

I just simply say to you, Mr. Speaker, and to the members of this Legislative Assembly and the public, how it is that the member is off after one answer --the wild and irresponsible accusation designed to malign Mr. Gass and the commission on the pay — he's off that, but this is symptomatic of exactly what they are doing, in an attempt to try to destroy the credibility of people, which they will not succeed in doing.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — And the question is, that has to be answered over and over again, Mr. Speaker, is why are they doing this? I say to the hon. member, why is not you and your leader, why are you not meeting with the Gass Commission? Why are you not giving your submissions to them? Why are you not making the suggestions to them? Why are you making these wild and irresponsible accusations?

And I tell you why you're doing it. You do not have at heart the interests of the province, I repeat again. You think you're still in government and the old ways. And by golly, you were defeated precisely because of that attitude. There's a new government, it's going to be open and honest and accountable, and those books will be open, sir. They will be open. I guarantee you that.

Some Hon. Members: Hear, hear!

United Nations Convention on the Rights of the Child

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Justice or the minister responsible, and pertains to the present government's announcement that they had fully ratified the United Nations Convention on the Rights of the Child.

It is our understanding, Mr. Speaker, that the federal government in its consultations with each province allowed that provinces could ratify the convention with reservations.

Mr. Speaker, did the government consult with any interest groups outside of the government departments in an attempt to reach a consensus before committing the province to this document, as his government has so

consistently told the public it would in its new and open style of public policy making?

Hon. Mr. Romanow: — Mr. Speaker, I cannot answer that question specifically and directly, and I will ask the Minister of Justice on his return on Monday — he's out of the legislature on government business today — to give the answer. I'll decide when and if I want to take notice, with all due respect to the member from Rosthern. And I say, Mr. Speaker, that once we get the information in this regard, we'll provide it.

What I'm saying however is this, Mr. Speaker, that . . .

The Speaker: — Order. I think we do need a clarification here . . .

An Hon. Member: — No, we don't need a clarification.

The Speaker: — Yes, we do need a clarification here. Either the Premier's answering for the government . . . (inaudible interjection) . . . Order. Either the Premier's answering for the government today or . . .

An Hon. Member: — Yes.

The Speaker: — All right. If you're answering for the government today, fine. But then the minister can't come back and make a further clarification.

Hon. Mr. Romanow: — My answer, Mr. Speaker, is that I do not know what consultations the Minister of Finance has or has not taken, and that the Minister of Justice has taken.

But I also say, as part of my answer, is that the convention which we were asked to sign is the convention which was signed by all of the other governments in Canada, every one of them — every one of them — which would have left the province of Saskatchewan in a position of refusing to sign and being the only province in doing so. And I don't even think the member from Moosomin would be in favour of that.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, a supplementary, and maybe that could be passed on to the Minister of Justice. And considering the fact of the signing, the reason for the fact that the convention wasn't signed as yet was because of the fact that the government wanted to allow time for people to voice their concerns . . . And certainly many of us have had letters raising a number of concerns regarding the convention.

And so again as I want to indicate to the minister, was the minister aware that he could have had reservations? And if he was, why did he feel it was not necessary to consult with service clubs, day-care associations, community organizations, or church groups on an issue in which they feel so strongly about?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I simply repeat again the earlier parts of my answer to the first question.

But I simply say this to the member opposite. The federal government on this issue urgently required a consent or a rejection by the province of Saskatchewan. We all know that the Prime Minister wanted to announce the international convention with respect to the rights of children and did so yesterday or the day before yesterday. In fact as the member will know, this subsequently led to other difficulties which the Prime Minister may or may not have had.

The government was in that position on the 41 or 42 days in which we were in power. We had to make a choice. We took the choice. I don't know what consultations took place. The minister can provide that to the member opposite privately or publicly later.

But that was also a very important consideration, namely the urgency of the decision. I guess the question that must be answered by you, sir, is whether you oppose the signing of that convention. We support it.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 7

The Assembly resumed the adjourned debate on the proposed motion by Mr. Mitchell that **Bill No. 7 — An Act to amend The Legislative Assembly and Executive Council Act** be now read a second time.

Mr. Martens: — Mr. Speaker, I want to point out, as I did yesterday, that we . . . I pointed it out to the Minister of Justice in the Assembly yesterday that we are in the process of reviewing the documents, and we have asked the Legislative Clerk to draft a . . . the Law Clerk to draft an amendment that would deal with the last few months of a government's mandate. And that, Mr. Speaker, is what we are waiting for the Law Clerk to give us. And, Mr. Speaker, based on that time line, we have not received it yet, and I therefore ask the Assembly to adjourn debate.

Debate adjourned.

The Speaker: — I have to inform the Assembly that the member for Morse adjourned the debate on this Bill the other day. Therefore under the rules he's not allowed to adjourn debate again. Now another member certainly can adjourn debate.

Mr. Scott: — Thank you, Mr. Speaker. I would like to speak in support of Bill 7 which would ensure that by-elections are held within six months of a vacancy occurring in this Legislative Assembly.

The deplorable practice to leave some taxpayers and voters in Saskatchewan and this Legislative Assembly for nearly two years cannot be allowed to happen again in this province.

The feeling of frustration, anger, and helplessness was prevalent in people throughout my constituency as they went unrepresented month after month in this legislature. The anxiety created by the on again and off again rumours of a pending by-election was cruel to say the least.

Mr. Speaker, I beg to differ with the comments yesterday from the hon. member opposite who expressed concern about winter weather. We have people commuting over a hundred miles a day to work all winter in Saskatchewan. School buses run daily throughout the winter in our province. And our children are shuttled around the province throughout the winter in pursuit of recreational sports. Surely if given a chance, people would welcome the opportunity to travel a few miles to exercise their democratic right to vote even if it is cold and snowy.

We are known to have long winters in Saskatchewan, Mr. Speaker, but no one can remember a winter lasting two years, the length of time . . .

Some Hon. Members: Hear, hear!

Mr. Scott: — The length of time people have recently gone without by-elections in this province.

Mr. Speaker, in closing I strongly endorse Bill 7 which will amend The Legislative Assembly and Executive Council Act to ensure that by-elections are held within six months of a vacancy. And I urge all members to show their support for this Bill.

Thank you.

Mr. Johnson: — Mr. Speaker, I rise to support the amendment to The Legislative Assembly and Executive Council Act.

Mr. Speaker, the former premier spoke about this issue in the Assembly, April of this year. And at that time he was asked by my colleague from Saskatoon Eastview-Haultain if he would support the private members' Bill to restrict the amount of time a constituency could go unrepresented in this House.

His response was essentially that he was the premier and had the power to set the dates of elections, and he would not support the passage of a Bill that would curtail that power.

At that time, Mr. Speaker, the constituency of Turtleford had been vacant for 10 months; the constituency of Souris-Cannington had been vacant for nine; the Indian Head-Wolseley constituency had been vacant for 15 months; the Kindersley constituency had been vacant for 16 months — a total of 50 months of vacancies in the province of Saskatchewan.

However the former premier's response was that he had the power to call elections to fill vacancies and he would not do so in these cases because he was going to call an election in six months. He did not call an election in six months; it took him seven. He stated clearly at that time that he thought it was acceptable to let constituencies of Kindersley, Indian Head-Wolseley, go unrepresented for

nearly two years. He also showed that he did not want the constituency of Turtleford or Souris-Cannington to be represented for nearly a year and a half.

That, Mr. Speaker, was the record of arrogance followed by the previous government. I do not make any argument that vacancies can be avoided or that they are the fault of the government. However, I do argue that when seats become vacant, the constituencies have a right to be represented as quickly as possible after the resignations.

Mr. Speaker, under the Blakeney administration there were 13 vacancies and these seats were vacant for a combined total of 50 months. That is less than an average of four months vacancy for each seat. Under the previous administration, Mr. Speaker, there was also 13 vacancies. However these seats remained vacant for a combined total of 124 months. That's nearly a year for each constituency on average.

Mr. Speaker, that is not a record to be proud of, and it is this blatant foot-dragging by the previous administration and a misuse of power that has brought about the introduction of this amendment.

Mr. Speaker, the members opposite may argue that the British parliamentary democracy provides for traditions allowing for the Premier to call by-elections. And that is true.

However, the tradition of the British system of government is one of democracy, and that is what this Bill intends to promote. It will prevent the abuse of privilege by the Executive Council and will ensure that the people of Saskatchewan are afforded their right to be represented.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. Mr. Speaker, it's a pleasure for me to speak on this Bill because it is such an important Bill to the people of Saskatchewan. It is very important in the overall scheme of democracy.

Mr. Speaker, short months ago I was . . . spent a fair amount of time travelling around the province. And the thing that struck me as I was spending a huge amount of time outside of my own constituency — which at the time was called Regina North, now renamed and with a little different geography; it's now Regina Albert North — but, Mr. Speaker, I and my colleagues in the then opposition, now government, spent an inordinate amount of time travelling around the province and dealing with issues that should have been dealt with by the duly elected MLAs (Member of the Legislative Assembly) in those constituencies.

I don't pretend that I, certainly, I was any substitute MLA in any way, shape, or form. I tried to help the good people in Indian Head-Wolseley, and I guess I'm grateful for the opportunity to have met a huge number of very fine people there. That's a part of my history, if you like, that I will always cherish.

(1045)

But, Mr. Speaker, this Bill intended to set . . . to allow for and indeed insist upon timely by-elections is very important to the democratic process, a process that I suppose is typified by a couple of things.

In 1215, King John was forced to sign the Magna Carta at Runnymede. That has become a popular symbol of liberty, and it's become a symbol of people's resistance to tyrannical rule starting in 1215.

And there have been many subsequent happenings respecting democracy. As you will know, Mr. Speaker, the Speaker is traditionally pulled to the Speaker's chair because early Speakers — early in the history of parliament — tended to be beheaded when the king or queen decided that the Speaker was not doing what the king or queen wanted.

So our democratic rights to representation have been hard earned over the centuries. And any time we try to pull back from it, any time we try to govern without duly elected representation, I think we are not only not holding our own, we're regressing into a more dangerous era.

Mr. Speaker, a second symbol, if you like, of representation needed occurred in Boston, December 16, 1773 when there was a dispute between the colonial administration and the parliament of Britain. The parliament of Britain was saying that they had the right to collect duties and to taxation on tea and the colonists were claiming that they in fact had the right to set taxes and collect duties and that sort of thing. And that wound up with I think it was 342 cases of tea being thrown overboard. And the Boston harbour became the world's biggest teapot for a night.

Mr. Speaker, for these reasons and of course many more, I am rising in support of this Bill that puts a definitive time line on how long a seat can be vacant in the province of Saskatchewan. I'm certainly going to support the Bill and I urge all hon. members to support the Bill.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. In lieu of the fact that the member from Morse has all ready indicated that we have concerns with the Bill the way it is, in view of the fact that we are intending to put forth amendments, and in view of the fact that those amendments had not until this moment been drafted by the Assembly Law Clerk . . . and I was just informed by one of my assistants that the amendments were delivered to our office just as I speak, or five minutes ago. So certainly this does mean now that if we have the weekend in order to address those amendments that we will prepare to pursue this.

Hon. Mr. Lingenfelter: — Point of order. Clearly, Mr. Speaker, the member's indicating that they have amendments they want to move next Monday, and they'll have the weekend to look at them. I want to clearly indicate that in order to move this Bill into committee stage next Monday, it has to get second reading today. So I think the proper thing to do here would be to let it go

today, if that's the only reason that you're holding it up, because you still have the weekend to look at the amendments. The amendments will not be made in second reading. Therefore if that's the reason, I would not then give leave to adjourn the debate.

Mr. Neudorf: — Mr. Speaker, speaking to the point of order. Thank you, Mr. Speaker. I don't think that we as an opposition are in a position that we are going to allow ourselves to be stampeded into any kind of a situation. When the amendments are ready, by leave on Monday we can go into the committee even though we are going into the . . . I think the Government House Leader is aware of the rule that on Monday, if we feel that we want to go into committee, we would give leave to go into committee immediately thereafter.

So at this point, Mr. Speaker, giving . . . in view of the fact that we are being rushed in making decisions because the legislative agenda from the government is slow in coming forth . . . we still don't know what the agenda is until 9:30 of the day. Like today at 9:30, I was informed by the Government House Leader exactly what the agenda for the day would be. Given those kinds of considerations, I think it is important that we protect the right of the opposition to be effective. And in order to be effective we must move now that this debate and second reading be adjourned.

The Speaker: — I'd like to draw to the attention of the hon. member that on December 11 he adjourned debate also on this Bill and therefore he cannot adjourn debate again.

Mr. Toth: — Mr. Speaker, I believe the points have been well raised and well taken and I beg leave to adjourn debate.

Hon. Mr. Lingenfelter: — Mr. Speaker, on the point of order I wonder, are you going to make a ruling today or are you . . . (inaudible interjection) . . . well on whether or not the rationale for adjourning the debate is legitimate when they say that the amendments . . .

The Speaker: — Sorry, that's not a point of order. Any member can adjourn debate at any time. The House makes the decision on that.

Debate adjourned.

Bill No. 8

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Mitchell that **Bill No. 8 — An Act respecting the Tabling of Documents and Certain Consequential and Other amendments to Other Acts resulting from the enactment of this Act** be now read a second time.

Mr. Toth: — Mr. Speaker, this Bill, we've indicated the same process has taken place and then bringing forward amendments and some discussion. We've been waiting for the Legislative Law Clerk. And on that basis, Mr. Speaker, the Legislative Law Clerk has needed time as well to put the process in motion. We beg leave to adjourn debate.

Debate adjourned.

Bill No. 9

The Assembly resumed the adjourned debate on the proposed motion by the Hon Ms. Carson that **Bill No. 9 — An Act to amend The Urban Municipality Act, 1984** be now read a second time.

Mr. Toth: — Mr. Speaker, I again ask to adjourn debate.

Hon. Mr. Lingenfelter: — Mr. Speaker, if we could, we have several speakers who want to speak on this Bill. If we could have our speakers speak and then go through the similar process we did in the first Bill.

Mr. Neudorf: — Mr. Speaker, I see no problem with that. That would be fine.

Ms. Lorje: — Thank you, Mr. Speaker. I'm very pleased that this Bill respecting The Urban Municipality Act has been introduced and is now before us for a second reading. And I do thank the members opposite for allowing me to speak to it in second reading because, Mr. Speaker, over the past nine and a half years our urban governments have suffered from neglect. They've been subordinated. They've suffered budget cuts, off-loading of program costs, and a shift of the provincial tax burden to the local municipalities.

However, Mr. Speaker, the previous government has also made the civic governments of our major cities less representative, less democratic, and less accountable, by repealing the ward system of representation. And this is wrong, Mr. Speaker, very wrong, because it is a fundamental principle of Canadian democracy that we have direct representation in our governments, not proportional representation, as some members in this House would argue, but direct representation.

Canadians have the right to be represented by a member who is accountable to them, accessible to them, and who represents their concerns to government. This is the system that we use at the federal level. We elect MPs (Member of Parliament) from single member constituencies. Provincially, we elect MLAs from single member constituencies. However, civically we're forced to elect them from the city at large as a result of the former government's repeal of the ward system.

Mr. Speaker, this is not the fault of our civic governments; this is the fault of the previous administration. It is the provincial government that is constitutionally responsible for the maintenance of municipal government, and it was the former provincial government that neglected that responsibility.

The abolition of the ward system by the PC (Progressive Conservative) government showed the total lack of respect that they have for local government and for the principles of democracy that our province and our country is founded upon.

Mr. Speaker, there must be a change in attitude regarding local government. People want involvement, they want

accountability, they want accessible government, and they want open government. They want it provincially and, Mr. Speaker, they want it at the local, municipal level as well.

It was wrong of the PCs to do away with the ward system in 1988. No one had requested that abolition of the ward system. Citizen groups didn't request it. The cities didn't request it. And, Mr. Speaker, the voters themselves did not request it.

Some Hon. Members: Hear, hear!

Ms. Lorje: — It was a little scheme cooked up, I don't know where, for dubious reasons, and the voters did not like it one bit.

Mr. Speaker, Bill 9 will provide for much-needed democratic reform in our local government system. This is a reform that city governments and citizens have requested time and time and time again. It's a reform that must be implemented before the next civic election. We cannot ignore the public will. That is why I support this Bill. It will provide for a mandatory return to the democratic principles that voters demand.

I have served on the city council of Saskatoon since 1979. And I can assure you, Mr. Speaker, the mandatory return to the ward system is supported by the voters and by the city councillors of Saskatoon. It's the only means by which the ward system can be implemented without further undue costs or time wasting to the cities of this province. If we don't require the return to the ward system for Saskatoon and Regina, it will be nine years before the wards will be back.

The previous government abolished the ward system in the spring of 1988. They argued at that time that the ward system would mean increased spending, that it would mean councillors would look only at their constituency needs and not as the needs of the city as a whole.

That's a view, I would suggest, Mr. Speaker, that is more indicative of the way Tories see government than the way the ward system functions. It's the Tories who have shown disregard for democratic principles, who have spent out of control, and who have ignored the interests of the Saskatchewan electorate while they pursue their politics of divide and conquer.

That's the Tory vision for this province. It's not the New Democratic vision for this province.

Mr. Speaker, my personal experience with the ward system is that city councillors do not simply act in the narrow interests of their own ward. When we would discuss pot-holes on a particular street, it would inevitably lead to a discussion of what kind of a program can be put in for the whole of the city. When we would discuss swimming pools in a particular neighbourhood, inevitably we would discuss the impact on city budget and the forward planning that we needed to have. When we discussed zoning issues in a particular area of the city, again the city councillors would look at the implications for the whole of the city.

(1100)

The Tory arguments, I would suggest, Mr. Speaker, demonstrate a total lack of understanding of the process of civic government. That's not surprising since we see here today that they seem to have a total lack of understanding of the process of provincial government.

I want to quote, Mr. Speaker, from comments made by former members of the Progressive Conservative government in the *Leader-Post* in March of 1988, quote:

Councillors act mostly on behalf of their particular wards. The resulting system puts political pressure on councillors to do things for their wards, but in the process no one speaks for the City as a whole.

That is blatantly untrue. That is a statement that demonstrates a total lack of understanding of the process of civic government.

Again, Mr. Embury said:

In the ten years prior to the ward system, City spending increased by 80% — discounting inflation. During a similar ten year period after the ward system was introduced — again discounting inflation — spending by the City increased by 380%.

Mr. Speaker, all that is is yet another indication of the big lie, the flim-flam that ignores the plundering of the revenue-sharing system . . .

The Speaker: — Order. I just want to caution the member that we do not . . . That's unparliamentary language and I would caution her not to use it.

Ms. Lorje: — I apologize and I withdraw the word. Thank you. But flim-flam is all right is it . . . (inaudible interjection) . . . All right, I'm going to re-emphasize the flim-flam part of my remarks.

Again, another quote, again from Mr. Embury.

With no government or opposition in civic government the ward system lessens the influence of voters. The reason is that voters can only cast their ballots for the candidates in their wards, and as such cannot vote for or against the entire council.

In fact, Mr. Speaker, what we've seen is that we get the same council returning over and over again. There is no rejuvenation. There is no new faces elected to city councils because it seems only the familiar faces are the ones that the voters will know when they go into the ballot booth and look at the shopping list ballot that they have to choose from.

Mr. Speaker, the arguments placed by the opposition are wrong, betray a lack of understanding of the nature of civic government. Coincidentally, Mr. Speaker, the arguments placed by the PCs about the ward system are very similar to those argued by the Liberals the last time we introduced this legislation under the Blakeney

administration.

And coincidentally, Mr. Speaker, the arguments are just as arrogant and just as colonial now as they were when they were put by the Liberals. Not only are the arguments the same, Mr. Speaker, but so are the results. The arguments by the PCs are arguments for elitist politics — elitist politics in our local governments — in which power is concentrated with the rich, in which community organizations and leaders are locked out of the process.

The cost of campaigns in a constituency the size of all of Saskatoon, 180,000-plus people, the largest city in this province, the cost of campaigns for an at-large system is very, very expensive. Campaigns cost money because media costs money. Many individuals simply cannot afford to run for civic office as a result.

The former government argued that the ward system that didn't include party politics was irresponsible. I disagree with that wholeheartedly. We do not want party politics in our civic government. For that reason we must return to the ward system. It's the only reasonable means to provide for effectively sized constituencies, a base for accountability, and a base for an individual to run for civic government.

Mr. Speaker, the result of the abolition of the ward system was chaos. In 1988 there were 70 candidates on the ballot in Saskatoon. In 1991 there were 54. Mr. Speaker, how is any voter supposed to choose reasonably and responsibly amongst 54 people? How are they to know who stands for what?

The abolition of the ward system has also shown a decline in voter turn-out. We want in a democracy to have as many people as possible exercising their democratic right to vote. In 1985 when we had the ward system, 50.6 per cent of the city of Saskatoon turned out to vote. In 1991 without the ward system, there was only a 42 per cent voter turn-out.

This legislation, Mr. Speaker, Bill 9, has been introduced because Saskatchewan cities want it, voters want it and city councils want it. We know this because 74 per cent of Regina voters supported the plebiscite on a return to the ward system in 1988. We also know this because Saskatoon City Council itself voted on June 20, 1988 that an urgent letter be sent to the former premier and his minister of Urban Affairs and all members of this Assembly stating that the city council of Saskatoon reaffirms its support for the ward system.

In closing, Mr. Speaker, I want to emphasize the ward system is the most feasible means of providing more responsible, effective local government. It's the best means available for empowering local citizens to become involved in their civic governments. It restores the principles of direct representation that are fundamental to our system of democratic government. And, Mr. Speaker, it is a major step to ensuring that Saskatchewan people have accessible, accountable, honest, and open government. Thank you.

Some Hon. Members: Hear, hear!

Ms. Hamilton: — Mr. Speaker, I'm pleased to rise today to support bringing forward proposed legislation concerning the ward system for urban municipalities. The return to the ward system is an important part of our government's democratic reforms. For some who would suggest that democratic reforms are only necessary in the legislature, as had been pointed out from the parties opposite, and both parties, I believe, Mr. Speaker, that the ability to return to the ward system is perhaps one of the most significant democratic reforms that will be introduced by ourselves.

The ways and means by which people elect their individual representatives is of vital importance to ensuring that we have a system that is truly representative of our communities and our province. It is also essential to ensuring a system that is open, accessible, and accountable to the people of the communities they serve.

Mr. Speaker, our large urban centres are home to many vibrant and distinct communities, communities that have distinct socio-economic, cultural, linguistic, and demographic profiles. These communities make up the cosmopolitan or metropolitan flavour of our major cities.

They are communities and areas of different interests, ideas, and needs. They want a chance to be able to know the candidates, and which of those candidates will reflect those individual needs and reflect their direction.

Our large cities, namely Regina and Saskatoon, are growing and becoming increasingly complex in their composition. More and more, local community associations are becoming the focal point for local activities.

The idea of trying to Americanize our cities is wrong. The idea of town hall meetings where cities have to bring people out and bring them in one large centre is wrong. People cannot get to those types of meetings and cannot understand and reflect the views of sometimes up to 70 candidates that would put their ideas forward.

We need a system that preserves the principle of responsible representative democracy. It's the principle that this province is founded upon. We would never consider an at-large system for our provincial legislature.

In the most recent provincial election, there were about 207 candidates. We wouldn't think of allowing the provincial electors to be faced with a list of 207 candidates to choose from, and select only 66 members to represent their views. Nor would we tolerate constituencies that have as many as 200,000 people in them. However, the current legislation has meant that voters in Regina faced a ballot of 48 of which 10 would be elected to represent a constituency of nearly 180,000 people.

In Saskatoon 54 people sought the 10 seats that again would represent nearly 180,000 people. Voters don't want to shine their shoes at the same time as they cast their ballot.

As MLAs we recognize that there must be reasonably sized seats with relatively uniform populations. We

recognize this must also be the case for our federal MPs. Why then, Mr. Speaker, would we suggest that some members of the government Assembly . . . and some members of the government Assembly would suggest that other forms of representation should be present in our urban government.

Is local government less important? Is it that the principle cannot be applied? I should say not. The constitution of this country provides this Assembly with the responsibility to ensure accessible and accountable local government. If we recognize and accept that our single member constituencies are the most effective way to elect representatives provincially and federally, then I say, Mr. Speaker, that the principle must also apply to our local governments.

I take some exception to anyone who would say that we must keep an at-large system of representation. This system is a system of exclusion. The at-large electoral system also provides for the exclusion of those currently underrepresented in groups in our local communities.

If I may say, Mr. Speaker, I'd like to explain some of my feelings as a woman and a former councillor in the city of Regina. There are many areas of The Urban Municipality Act that reinforce sexist ideas and ideals. The terminology, for example, of the representative as an alderman rather than a councillor is one of these.

I was elected under both the ward system and the at-large system in Regina. Had I not had the opportunity to run first under the ward system, I would be facing many difficulties in trying to mount a campaign under the at-large system. It was the opportunity to walk door-to-door and meet with people and let them know my beliefs and ideals for our community that would allow them to know their representative and place a vote forward.

In a ward system you could mount a campaign where you would be able to afford to get a piece of information and a good piece of literature out to each individual and let them know what your views were on the important issues of the day. I doubt I would have chosen to run, let alone I would have the ability to be elected, under an at-large system where it takes 20,000 to \$30,000 to mount a campaign.

Electoral politics can be unfamiliar and intimidating to many people — not to mention women — to our poor people, our aboriginal peoples, and many, many others. Our electoral systems are only now becoming more accessible to all of us.

I understand the importance of having a clearly defined constituency. It provides any person with a base to stand upon. It also provides for a natural constituency from which a community can elect someone who understands the issues and aspirations of that community.

It does not tear cities apart where people take only consideration of their ward and bring it forward to the table. As had been mentioned, when issues of importance come forward, when issues of concerns are raised, everyone brings their point of view to the table, and what

is best for the city as a whole is considered in the total picture.

(1115)

Mr. Speaker, an at-large system of election isolates the power in the hands of those with money and with profile. It costs a great deal of money to run a civic campaign in a city the size of Regina. Many people of average or lower income cannot afford such a campaign. It also takes someone with high profile.

It's interesting to note, as had been mentioned, that in Saskatoon only members who had been elected to serve before to the city council or members who had previously been serving in the past, were now elected to that council again. Name recognition becomes paramount — dollars become paramount to get the name recognition.

The at-large system also favours those areas of the city in which voter turn-out is relatively high, in which people can get to the polls and feel comfortable that they have the knowledge to vote for the person on the ballot when it's 1 of 54 or 1 of 48. And that is becoming more and more . . . or less and less people who are turning out to vote. So in general this also favours those middle and upper income areas and middle and upper income class candidates who can run and mount a campaign.

The cities of Saskatoon and Regina favour the return to the ward system. In Regina the plebiscite on the ward system showed that the vast majority of the population wanted the ward system returned. The cities of Regina and Saskatoon, their councils are on record as favouring a return to the ward systems and asking of the previous government that they would reflect the democratic wishes of their communities. The answer was no. We would not even have the ability to have the choice of our elected reflected in our choice of a ward system.

We know that recently the members opposite also said well, we don't really care what type of a system is in place, as the cities are saying. So we're looking at now someone who had imposed a system of the at-large system and now who really doesn't care in democratic reform.

Mr. Speaker, I know there are concerns about the mandatory provisions for Regina and Saskatoon to return to the ward system. There are always problems. There are always problems related to intergovernmental affairs; however, there's no argument against the ward system.

Other cities such as Prince Albert have often requested a return to the ward system and have been denied it. They had the ward system, lost the ward system, and now under the proposed legislation may have to wait and to reflect a vote to return to it. And they may be one of the communities that would like to speak to us about the Bill on the ward system.

People who have concerns about local autonomy would also like to speak to us and give us ideas, and we'd be glad to hear those and listen to them. Through the Standing Committee of Municipal Law of the legislature, of which I'm chairing, we can hear those concerns about the need

to retain a choice for the maintenance of local autonomy. We can provide a forum to hear the concerns of areas and people of Prince Albert, Moose Jaw, Melfort and others. They will all have an opportunity.

The Bill that's before us provides for the democratic wishes of the people of Regina as expressed in a plebiscite and the return to single-member constituencies for their governments. To insist that they would again express their will in a vote in the bureaucratic system would be wrong.

Mr. Speaker, I support the Bill because it will strengthen the democratic institutions of our urban governments. Through meaningful public consultation on the legislation, people will have input and people will have the ability to reflect changes to the Bill, to address the concerns that have been mentioned already.

But in the end the important issue is that finally in the spring we will have a Bill to allow those who want a ward system in their communities, will have a ward system in place for the next municipal election; they will have the ability to do so. It's with that in mind, I am pleased to be able to support bringing forward for discussion and have in place a ward system Bill for urban municipalities.

Some Hon. Members: Hear, hear!

Mr. Boyd: — We have no objections to letting this one pass.

Motion agreed to, the Bill read a second time and referred to the Standing Committee on Municipal Law.

Bill No. 3

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 3 — An Act to amend The Education and Health Tax Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Deputy Speaker. I rise today to speak on Bill No. 3, the Bill dealing with the repeal of certain sections of the E&H (education and health) tax in the province of Saskatchewan.

Mr. Speaker, this is an issue that has been before Canadians for some time. Ever since the federal government embarked upon the process of bringing in a value added tax, the GST, on a nation-wide basis, Canadians have been struggling — and I must say, with a great deal of disdain in certain quarters of our society — against a broad-based sales tax system.

Traditionally in this country, Mr. Speaker, we have used an income tax system, a graduated income tax system which was on the basis of the ability to pay. Certainly that income tax system which many Canadians, I think, feel today is overly complicated, that it's very onerous on particularly the middle class people in this province . . . or in this province and country, and that that particular system needs further overhaul before this country is ready for a general sales tax type of tax as we have with the GST.

It is a fact of life, however, Mr. Speaker, in many parts of the world that this particular type of tax has been adopted

as a way of supporting the social infrastructure in particular countries. And we have the example in the European Community where the VAT, the value added tax over there, can go anywhere up, I understand, to the 30 per cent figure. And this is applied to all goods, services, in those particular countries.

Certainly I think the federal government was looking at some of their competition around the world when they talked about coming in with a tax such as the GST (goods and services tax). And certainly we in the province of Saskatchewan, as we move into the '90s and the 21st century, must look at responsible ways of generating tax dollars so that things like education, health care, the support that agriculture needs in very difficult times, can be maintained.

The choices that were before the former Government of Saskatchewan to in a fair way assess how government would take enough tax from people to support the various social structures that we have in this province was indeed a tough one. On one hand . . . and I must say, Mr. Speaker, that consumers, the service industry, many people in the middle class in Saskatchewan have not liked this particular approach because it takes away buying power which is already under a tremendous amount of pressure because of the downturn in our provincial economy which we've seen through the 1980s.

We have a Saskatchewan economy, Mr. Speaker, that is based primarily on agriculture and the export of raw materials. There have been great strides made, Mr. Speaker, in the last 10 years in bringing in value added things to our economy, where we take our raw products, we process them a step further, and we then export the finished goods rather than the raw product.

Given that our economy is based on products which primarily trade in an economy outside our province and indeed outside our country, it makes it very difficult when one is faced with the choices on how to tax the public and how to do it fairly.

Clearly in the last election campaign, the consumer spoke very clearly, and I don't pretend to stand here today to say that I am second-guessing that consumer in the province of Saskatchewan nor am I second-guessing, indeed, consumers around Canada. There is a great deal of resistance to this style of taxation but I think that resistance, Mr. Speaker, goes to many other factors in our economy. Canadians as a whole feel that the middle class is losing any incentive to be productive.

Entrepreneurship in this country depends on the ability of the person to go into the market-place and get a fair return on investment. And whether that is farming or primary production or whether it's the people on the main streets of our towns and cities, the same quest is there: that entrepreneurs wish to have that return on investment for the time and labour that their family puts into that particular business, the confidence that they get from their shareholders and people that they convince to invest along with them.

And without that confidence, without those shareholders, without people that are still willing to put risk capital in

our society today, a province like Saskatchewan, Mr. Speaker, is in a great deal of trouble because much of what we do here will not function without that. We do not have a large enough population or enough truly wealthy people in this province to sustain ourselves without outside investment coming in here. So when government is faced with the choice, as this new government, newly elected in Saskatchewan will face these choices, it is going to have to look at what builds your economy and what tears down your economy.

The NDP Party made a very conscious decision, I must say somewhat late in the day, that the best thing for the economy in Saskatchewan was to de-synchronize the E&H tax with the federal GST. I must say from what I have seen over debate in this legislature over a number of years and some of the pronouncements that I saw made in the media throughout our province, Mr. Speaker, that I think the quest for political dominance in this province perhaps outweighed the good economic sense that is needed in this province. And I think of the former Finance critic from . . . used to represent Regina Centre. I'm not sure what the new seat is now.

An Hon. Member: — Churchill Downs.

Mr. Swenson: — Churchill Downs. Thank you. In his role as Finance critic for the NDP Party, going to the media . . . I have an example here, Mr. Speaker, of CHAB in my home town of Moose Jaw on May 9, 1991, where the NDP Finance critic at the time was quoted as saying that he agreed with the concept of harmonization but felt that it needed to be rolled back from its current level of 7 per cent, and that if that wasn't satisfactory, that probably the NDP would revert to the old system in this province and that they would raise personal income tax to make up the difference in funds.

Now, Mr. Speaker, this is only a few short months, a few short months before the provincial election. As a matter of fact this was, if I remember correctly, Mr. Speaker, this was right in the middle of the campaign which the former opposition, the NDP members, were conducting in this province with petitions and reading many petitions in this legislature, petitions *in finitum*, with name after name after name of people that were against the PST (provincial sales tax) as they called it, the old E&H tax.

(1130)

So, Mr. Speaker, obviously some people in the NDP Party at the time were thinking about the finances of this province and they were looking at ways that they would make choices. A little later in the summer, Mr. Speaker, we have the same member of the legislature, now member for Churchill Downs — we're now at July 5, '91 — as the NDP Party assess the political climate of the province a little more, definitely coming out and saying that their party would now roll back the tax; definitely in favour of higher income taxes.

And of course by the time we got to October 5, Mr. Speaker, the NDP Party had definitely assessed the political mood in the province and were now 100 per cent on board with our now Premier of the province, the member from Riversdale, saying a New Democratic Party

government would take the newly expanded 7 per cent PST and it would be gone at midnight on October 21. And to small business we say, don't collect it; to consumers we say, don't pay it. On October 21 it is gone.

It was, as I've outlined, Mr. Speaker, a very interesting progression as the NDP Party assessed its political fortunes in the province. And I will say to members of this New Democratic government, I'm not sure, given the mood for change out there, that you truly needed to have this one because you have now made a conscious decision to forgo about \$200 million in revenue. Your Finance minister has come in with a somewhat wildly inflated budget deficit.

And you're wondering as a government, I'm sure, with all the pressures that are in our society today, how are we going to maintain our hospital system. And I watched with interest, Mr. Speaker, a news report from your home city of Saskatoon last night where there is definitely pressures upon that hospital system. And I must say that even in the toughest of times the former government, the Progressive Conservative government of Saskatchewan always, always maintained increases in the Health and Education expenditures. Somewhat reduced some years, but always an increase.

And I'm looking forward, Mr. Speaker, now that choices are starting to be made, if the health system in Saskatchewan is going to receive an increase. If it is, how is that increase going to be funded? If the synchronization of our E&H tax with the federal GST was not appropriate to raise funds, if it was not the appropriate way to stimulate our economy, then what is?

Is it, as the member from Churchill Downs said, to be higher personal income taxes? And if those higher personal income taxes are going to happen, who are they going to happen to?

As I said a little earlier in my comments, Mr. Speaker, most of the folks in this province that earn a living are what you would call, I would call the broad middle class people.

This province has never been blessed with too many millionaires. This province has never been blessed with a large industrial base. The former government did its utmost to try and build one so that those taxes could accrue in the province of Saskatchewan.

So it's going to be very interesting, Mr. Speaker, as to what type of plan comes forward from this new government. Certainly the Speech from the Throne that we just debated in this legislature gave us very few clues as to what was going to happen; very few clues as to how this government was going to replace \$200 million in income; how this government was going to make our industrial sector competitive with provinces and countries around us.

Certainly I haven't seen any decrease in cross-border shopping because of what happened on October 21. In fact, merchants in my home town of Moose Jaw tell me that they haven't seen any change whatsoever as far as the amount of money being spent by consumers in their

stores.

As a matter of fact, one individual who I saw on civic election night as we were watching the results come in told me, he says, you know I just did my first goose egg in the history of my store on October 22. He said, I quite frankly expected many people to be coming in because this tax was gone. And in fact, Mr. Speaker, that has not happened. It has not happened anywhere in our commercial sector in Saskatchewan in the two months since then.

Now, Mr. Speaker, as I said before, I don't second guess the anger that consumers and that certain parts of our business sector felt with this particular process.

I as a minister of the Crown in the last government had to go before many of those groups and talk about synchronization of our E&H tax with the GST. And it's a very difficult concept, Mr. Speaker, to explain to people, but one must always weigh the alternatives.

How will our agricultural sector remain competitive? How will our mining and primary resource sectors remain competitive? How will people on our borders with Alberta and Manitoba and North Dakota and Montana — how will those people remain competitive when they are faced with tax regimes in those jurisdictions which give their merchants, which give their business people, which give their primary industries competitive advantages against ours?

Mr. Speaker, the E&H tax has always been with us in this province. I think many people in the last election campaign were under the erroneous conclusion that after October 21, with the election of a New Democratic government, that somehow that E&H tax would disappear, that it wouldn't be on all of those goods and services that existed before.

This former PC government, Mr. Speaker, was the government that took the tax off of clothing under \$300. Prior to that time, prior to that time under New Democratic governments, and indeed the first term of the old Devine administration there was a tax, an E&H tax on clothing. It was the decision of the government in 1986 that that tax under \$300 shouldn't be on Saskatchewan people for the very fact that a lot of our citizens were looking at Manitoba, were looking at Alberta, and were looking at North Dakota and Montana.

Mr. Speaker, we have a very serious problem in this province because the E&H tax is back there on almost everything except food, pet food, reading material, and clothing. A fairly narrow part if you will, Mr. Speaker, of our society at large. E&H tax is there on the rest of it.

So this new government has some choices. They've said that the choices the previous government made were wrong. Even though in debate in this legislature in 1990 many times I heard various members of the New Democratic Party say that if the business community in this province is to be treated fairly, then one tax is preferable to two taxes. That one tax is preferable to the administration of government than two taxes.

And indeed, Mr. Speaker, as I pointed out yesterday, the very fact of synchronizing those processes could save the Government of Saskatchewan \$5 million. We were able to have employees, provincial employees go to work for the federal government, and we had the federal government then doing tax collection in our province, allowing business people to have one tax collector instead of two.

Mr. Speaker, that \$5 million is almost double the amount of money that this new administration would need to put \$200 million into our economy right now. Right now this government with two and a half to \$3 million could put \$200 million in circulation in our economy. Now they have made a very conscious decision not to do that.

Mr. Speaker, if the New Democratic Party had simply brought in synchronization at the seven and five level, which would have meant no new funds to the government, they still would have had that \$5 million which today could have 200 million circulating in our economy, going through our stores as our farm families shop in every town and village and city in this province.

But they've made a very conscious decision not to do that. If you aren't going to have that synchronization, then you have to find that \$5 million somewhere else. And you have to find that nearly \$200 million that was absolutely necessary in order that, number one, the farm safety nets be properly funded; number two, that our health system that we all cherish so highly in this province could be adequately funded; our educational system could be properly funded; that we would have a chance in a very difficult agricultural economy, Mr. Speaker, of having the possibility of balancing budgets and attacking our deficit.

Mr. Speaker, this new government in their throne speech did not outline how those things were going to be done. They have not told us how they are going to replace those moneys. They have not told us how they are going to attack the deficit. They have not told us what the plan will be in the absence of synchronization of those two taxes.

What happens to the competitiveness of Saskatchewan business? Will our primary resources be hurt? The Minister of Finance has not put a number on what is going to happen now that the potash industry is not flowing through with investment tax credits. Will it mean lay-offs in the potash industry? Would that synchronization process have helped our potash industry, because if their end user price on the Pacific Rim would have been cheaper made more sales?

The Minister of Finance has not told us about these things and what those costs are to our society. We look forward, Mr. Speaker, to seeing what these choices will be. Will these choices entail things from the '70s? Will we get back into succession duties and death taxes — two things that were absolutely abhorrent to the farming community and the business community of this province — measures that directly interfere with families who plan on passing on from generation to generation, the family farm.

I know of circumstances, Mr. Speaker, in my home community where the ability to pass on that family farm because of a death in the family was abrogated because of a

government decision on death taxes. Is that going to be one of the choices that the Minister of Finance is going to make, if we are not going to have synchronization of our E&H tax with federal sales taxes?

And I don't believe for a moment, Mr. Speaker — for one moment — that this provincial Minister of Finance or any other in Canada is going to affect the collection of the GST at least before 1993. We have some provinces in Canada who have harmonized their sales tax with the federal sales tax. We have some who are looking at it. And we have some, like the case of Alberta, one of our major competitors in many areas, who have never had a provincial sales tax.

Mr. Speaker, we have heard in this Assembly almost since the inception of the province of Saskatchewan about the problems that have existed on our western border with the province of Alberta. I can remember the city of Lloydminster issue arising during the 1970s in a large way when Mr. Speaker was a member of the treasury benches in the former NDP government of the day. It arose many times during the 1980s during our administration, because of the border problems that have always existed without Alberta having a sales tax.

Mr. Speaker, that problem is not limited to the city of Lloydminster. The question of fairness along our western boundary has always been a big problem. Fairness in the taxation system is something that I believe government must always address.

Today in our society people are far more mobile than they ever were before. We have the situation where on most long weekends every hotel in Minot and Bismarck and Williston is booked up full of Canadian residents, mostly people from the province of Saskatchewan doing their shopping in a jurisdiction that has a smaller tax load than what we have here in the province of Saskatchewan.

We have the case today, Mr. Speaker, and you know it well, that people in rural Saskatchewan think nothing of driving 50 and 60 miles to take their children to hockey or to dancing or to music lessons. I have one constituent, Mr. Speaker, who drives her children from Eyebrow, Saskatchewan to Saskatoon, Saskatchewan twice a week for specialized music lessons.

People are mobile today, Mr. Speaker. People that mobile will look at their options and their choices. They will look at the province of Alberta with no sales tax; they will look at the state of North Dakota; they will look at the province of Manitoba. That is why those choices are so absolutely fundamental, Mr. Speaker, to fairness in our province.

(1145)

When we look at the wealth creation systems that we have available to us and how those wealth creation systems are going to compete, then the choices started to narrow. The choice wasn't a higher income tax rate, I'll tell you that, Mr. Speaker. In a tough agricultural economy like we have here today, the last thing that agriculture, that small business, the farm machinery sector — of which my family and my wife's family was involved in for 28 years before that tough agricultural

economy forced them out of business — those are the last people in the world, Mr. Speaker, that need more of their disposable income taxed away with higher taxes as has been advocated by some members of this new government.

They need those precious dollars to reinvest back into their businesses in order to see them through these times. People need those scarce dollars, those people that invest in our resources and our economy, to invest back in. The last thing that we need is higher personal income taxes to drive that middle class away from investing in the engines of growth in our economy.

And yet clearly, Mr. Speaker, the choices that are before this new government . . . As they have said, we don't want to take this 200 million, means that they must find that 200 million somewhere else. So if it's not to be personal income tax, if it is not to be taxes like succession duties and death taxes, what kind of tax will it be? Does it mean that the E&H, which we currently have in the province, must go to 10 or 12 per cent? Perhaps. Mr. Speaker, that alone probably will not make up the shortfall. What other taxes must be looked at?

The previous government attempted to get more taxes out of people like the railroads and the airlines and, Mr. Speaker, the reality was that when you tax too much they simply fill up their tank and travel through our province until they get to another jurisdiction.

Is it to be more gasoline taxes? Mr. Speaker, we are in an economy in Saskatchewan . . . because of large distances, the transportation of a lot of raw products is very onerous on our transportation infrastructure if the price of fuel becomes too high in comparison to the people that we compete with. What will happen to the trucking industry, Mr. Speaker, if they have significant new fuel taxes added to them?

What will happen to the hauling of grain and potash and uranium? What will happen to those things, Mr. Speaker, with those new taxes? What will happen in the energy industry where most companies have large fleets of trucks in order to service their well infrastructure? What will happen at the compressor stations where our natural gas is moved to other jurisdictions? What will happen, and what will be the effect on royalties, Mr. Speaker, as those choices are made?

I think, Mr. Speaker, that many members in this House realize that when you make those choices you are going to hurt some segment of our economy and some area of our tax-paying public. And you can hurt them deeply. You can bring certain sectors of this economy to an absolute standstill, Mr. Speaker, if you do not tax wisely.

I think, Mr. Speaker, that people in our province are going to demand that as part of the plan that the new government brings forward, that they see a plan that is going to show government with being very cost effective. They voiced their concerns very loudly in the plebiscite on election day as to what they expect in the way of balanced budgets. And, Mr. Speaker, they are going to expect a government that makes choices that are the most fair for the most people.

It was not easy, Mr. Speaker, to be a member of a government faced with those choices, going into an election and saying that economically this is the right thing to do. This is the thing that will probably preserve the most and most effective engines of growth in our economy. It will allow farmers, it will allow primary producers, it will allow business people, to pass through the costs of doing business in an investment tax credit, which then will allow them to have a business that is more competitive. It looked like the way that would preserve the most jobs and employment in our provincial economy; and that given, Mr. Speaker, the known resistance to the national sales tax scheme employed by the federal government, but a scheme that no provincial government has any option but to deal with in the best way possible.

And I'm saying, Mr. Speaker, today in this Assembly, that perhaps the New Democratic Party did not analyse the situation maybe as carefully as they should have. The quest for political power in this province, knowing that there was a definite consumer backlash to sales taxes, perhaps overwhelmed the need for a sound, fiscal plan in the province of Saskatchewan. Because I believe at the time, with most members of the New Democratic Party in the old legislature coming from our larger, urban areas, that perhaps the voices that they were hearing were not the same ones that were heard in other parts of our province.

And I know people, Mr. Speaker, in the mining industry — for instance in my constituency because I have a very large potash mine — who thought that harmonization, synchronization of the E&H with the federal GST was probably the best way to ensure that their jobs would be secure in the future because they knew that the potash industry was a very high user of input costs, a high user of services and goods in our local communities; would then have the opportunity to pass those costs through and achieve a cheaper price on a tonne of potash for export market.

The potash mine, Mr. Speaker, in my constituency exports nearly 100 per cent of its product. It is a fine grade product done through the solution mining process. It is primarily exported to the United States and the Pacific Rim — 3 or \$4 a tonne on that grade of potash means that that mine indeed could expand production and employ more people.

Mr. Speaker, you can take that to every mine — whether potash, gold, uranium, all the way through our resource sectors — and apply those same principles and know that the synchronization probably would ensure that people with jobs in those particulars areas would stay employed even in a very tough economy.

Given the choices in front of us today, Mr. Speaker, where those operations are now back eating that E&H expenditure, what is the long-term job prospect in those areas?

How will those industries remain competitive? How will they keep paying the royalties that are absolutely fundamental to maintaining our social infrastructure?

And yes, Mr. Speaker, in most of those areas our resource companies paid the highest royalties in North America.

Now some members in this legislature, I know, say that there is room for more. Well I just hope, and I say this to the new Minister of Energy and Mines, that he do his homework very carefully when the Minister of Finance is presenting those choices to this Assembly. That he do his homework very, very carefully to not drive certain sectors of our economy out of our province because of the types of choices that he is going to make.

And those choices, Mr. Speaker, will be difficult — no one denies that — as they were difficult for the previous administration in this province.

Mr. Speaker, I am sure that somewhere in debate on this Bill I will hear members of the New Democratic Party government stand in this legislature and speak in favour of this Bill. As they stand and speak in favour of this Bill, I would ask each and every one of them to inform this Assembly and this province about how they think the choices should be made, how they think that people in this province should be taxed. Because each and every one of them must have ideas and ideals that they feel would more appropriately garner that \$200 million to replace the synchronization.

I want them to tell members of this Assembly and tell the public if they are in favour of higher personal income tax. I want them to tell members of this Assembly if they are in favour of increasing the royalties on the oil and gas sector. I want them to tell this Assembly if they are in favour of increasing the royalties garnered from potash production in this province. I want them to tell this Assembly, Mr. Speaker — and obviously it's bothering the member from Moose Jaw — if he is in favour of succession duties and death taxes; if he is in favour, and the people in his home community of Moose Jaw are in favour, of increasing gas taxes; if he is in favour, and the business people in his community are in favour, of increasing the E&H tax beyond the 7 per cent that it's at now.

I want each and every member of this Assembly, Mr. Speaker, who is voting in favour of this Bill to stand in this Assembly and tell us what types of personal choices they are making, what types of choices they are going to take into the caucus of the government and influence their Finance minister to make. Because I don't believe for a minute, Mr. Speaker, on this issue that it's simply going to be up to the Premier and the Finance minister and the minister of Economic Development and Trade to make the decision.

They make most other decisions, Mr. Speaker, for this government. But on this one I think that members on the New Democratic Party benches, the back-benchers, the guys representing the men and women, representing these new constituencies, these rural constituencies, are going to want to make the Minister of Finance make those choices as fairly as possible, given how they know that people in their constituencies make a living and how those people are going to be competitive in the world that we know today.

And I invite each and every one of them, Mr. Speaker, as

they stand in favour of voting on this Bill, and tell this Assembly what those choices will be, Mr. Speaker.

(1200)

Some Hon. Members: Hear, hear!

Ms. Stanger: — Thank you, Mr. Speaker. I rise today to speak in favour of this Bill amending The Education and Health Tax Act. And as I enter this debate, I want to compliment the new Minister of Finance for making his taxation changes here in the Legislative Chamber . . .

Some Hon. Members: Hear, hear!

Ms. Stanger: — . . . which is the only place — which is the only place where tax legislation can become tax law. When this Bill is through three readings and Royal Assent and proclaimed into law, the people of Saskatchewan will know where they stand. The business people will know that they are charging a tax that is legal; consumers will know that they are not paying an illegal tax.

Now the Tories may find this highly unusual to actually come to this Assembly where laws are supposed to be made and pass a new tax law, but I support the process of openly and honestly establishing tax levels. And I believe most Saskatchewan people agree.

We as members, and those listening to this debate, will recall when the minister of Finance in the previous administration made what he called a pre-budget statement on February 20 of this year. That statement included the announcement that the Conservative government would impose a provincial goods and sales tax in two stages. Beginning April 1 a long list of goods that had never had sales tax applied to them before would fall under the new PST. On January 1, 1992 a long list of services would be taxed for the first time in our province history.

The goods which fell under the provincial sales tax on April 1 included . . . and now you might think I'm wasting time, but I'm only going to take 10 minutes to give this speech, not 45 minutes, and I want to include the list of services because they clearly show the kind of thinking from the members opposite.

An Hon. Member: — Or lack of it.

Ms. Stanger: — Yes, or lack of it, some member says.

Here are the list of the goods: all children's clothing and shoes, all adults' clothing and shoes costing less than \$300, restaurant meals, certain food items, toothpaste, diapers, and babies' snowsuits, cough syrup, pet food, books, magazines, newspapers, natural gas, and electricity. The list of other goods is longer than I have time today to read, Mr. Speaker.

But that's not the end of it. The previous PC government was set to impose their PST on extensive lists of services such as haircuts, car repairs, legal services such as drawing up a will, funerals — tax on funerals — home repairs, the purchase of postage stamps, appliance repairs. And the list goes on and on and on.

Mr. Speaker, all of these items and services had the new Tory PST levied on them. And thanks to the 40 per cent increase in the sales tax rate in 1987, from 5 per cent to 7 per cent, the cost to the Saskatchewan consumers was estimated at over \$70 million annually. And of course a similar amount of money is gouged out of this province by the 7 per cent GST imposed by the federal government.

The combined GST and PST would have amounted to an incredible 14 per cent increase in taxes on a wide range of basic necessities for average consumers. This is particularly difficult for business people in my constituency of Cut Knife-Lloydminster because the Lloydminster side, the Alberta side, does not have an E&H tax. And contrary to what the member from Thunder Creek was saying, a local business man told me last weekend that he has had the biggest November in sales in seven years since he's been in business.

Some Hon. Members: Hear, hear!

Ms. Stanger: — But I'm going to tell the whole story. In true blue Tory fashion, there were exemptions to these new taxes. Now this again tells you the character of the members opposite. You didn't have to pay the new . . . you didn't have to pay the new PC taxes on international airline tickets. Something that most of my constituents don't even use. You didn't have to pay PST on trading on foreign currency or paying fees to your local stockbroker.

I could tell you that there was no doubt in my mind that most of the debt-ridden families in my constituency and single parents living on social assistance and unemployed workers did not find these exemptions particularly exhilarating or joyous.

Some Hon. Members: Hear, hear!

Ms. Stanger: — In fact, most Saskatchewan residents were not well served by the tax policies of the previous government. In 1982 the Conservatives promised to cut income tax by 10 per cent. Instead they introduced the flat tax on income and then doubled it.

They promised to eliminate the sales tax. Instead they put it up from 5 per cent to 7 per cent. They imposed a tax on used cars and on lotteries.

During the Conservative years in office a typical Saskatchewan family had its total provincial tax bill jump by \$2,660. So when the member from Thunder Creek is talking to me about over-taxing ordinary people in the province, what is he talking about? We are the highest taxed, for a family of four, in the whole country of Canada. And he's talking to me and asking me what I'm going to do about it, or we are going to do about it. What did they do about it?

Some Hon. Members: Hear, hear!

Ms. Stanger: — Mr. Speaker, there is no doubt that PC tax policies damaged the provincial economy. The combined GST and PST caused consumer spending to slump. It increased cross-border shopping. Talking about motels in Minot, why were they full? I mean putting

another 7 per cent, that was going to deter people from going to Minot? It harmed Saskatchewan businesses with ill-designed tax measures. The previous government hurt the whole provincial economy.

Over the past nine years the province had the worst job-creation record in Canada. This forced over 80,000 people to leave Saskatchewan in recent years, including my three children — graduates from the University of Saskatchewan that could not find jobs because of this government. Not only likely they couldn't find jobs because of this government; they were likely blacklisted because they were NDP.

Mr. Speaker, the expanded PST was such an obvious mistake that even the old Tory regime should have recognized it. The 7 per cent PST levied on book sales meant that Saskatchewan had the only provincial tax on reading in Canada.

Being a teacher, I found this particularly offensive. This amounts to a tax on learning and does nothing to reduce the illiteracy rate or help students finance their education. In fact the tax on reading material would have cost a full-time university student \$200, something that they could ill afford because of . . . You know what's happened to the bursary programs and the student loan programs since you fellows have been in . . . when you fellows were in government.

Mr. Speaker, the expanded PST was particularly unfair to low income people. It was in no way based on people's ability to pay — regressive taxation. Students, the unemployed, senior citizens, and the working poor were victimized by the PST. They did not deserve the severe gouging the tax inflicted on them. They in particular will join with other consumers and taxpayers in praising the new government repeal of the expanded PST.

I just want to say a few words in answer to the member from Thunder Creek. He wants to know what our policies and our plans will be in taxation. Why doesn't he just watch and see the next four years?

Some Hon. Members: Hear, hear!

Ms. Stanger: — We are certainly not in this House to consult with the member from Thunder Creek on how we're going to raise or lower our tax policies — this from members who raise the taxation level by \$2,600 to an average family of four in nine and a half years. You talk to me about raising taxes?

Okay. This Bill will do exactly that. It will get the approval of the people of Saskatchewan and will apply retroactively to October 22, exactly as our party promised to do.

This is the first of many measures this government will undertake to the advantage of Saskatchewan people. I will be voting for this Bill and proudly supporting the resulting tax cut in my constituency and across the province. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Crofford: — Thank you, Mr. Speaker. I believe we were almost in a tie there on our feet.

I want to talk today about the bottom line, because I know how important the bottom line is to the members of the opposition. And the bottom line couldn't be more bottom than it is to many of the people that I've worked with and that I know, so I'm going to direct my comments to the impact of the PST on low income people and people in poverty — people who, in order to survive, typically spend 100 per cent of their income and still come up short.

When an additional consumer-based tax is added to this already stressful financial situation, it cuts primarily into the food budget and other immediate necessities such as non-prescription drugs and clothing.

I often think of it when I'm sick and I realize all the people I know who don't have the option to go to the drugstore and buy those things they need, and in addition to . . . it's not part of this debate — but the increased costs on prescription drugs overall.

An Hon. Member: — Are you off the topic?

Ms. Crofford: — It's all related, isn't it?

A rebate program is of little use in this process, because people don't have the financial surplus to carry this expenditure on behalf of the government until the government returns it to them in the form of a rebate.

There has been considerable research done around the world on this question of consumer-based taxes. I want to refer to a recent study of the Australian tax system from the University of New South Wales.

They've been doing this study on people who have had this tax since 1985. All proponents of the broad-based consumption tax, or GST as it was first called in Canada, identified the need for a package of compensation, like the rebate program that you instituted or income security measures, to protect those on low incomes. But after many experts looked at variations on how to do this, their conclusion was that any attempt to introduce consumer-based fairness was almost impossible because of the large number of people who aren't registered in the tax system for various reasons, due to either dislocation, literacy levels, ability, or unfamiliarity with the tax system, period. And a lot of them are just plain too poor to pay taxes.

(1215)

I'm going to introduce a little bit of a discussion I had with a Regina business man who's always been a Conservative supporter all of his life. He used to have eight staff; he now has four staff.

When two of his good rural customers used to come shop at his store regularly and buy their shoes for the entire year . . . came in to see him, they started out buying eight pairs of shoes because they buy for the whole year for their family. And when they saw the taxes added on by both the federal government and provincial government they

said, we're not going to buy these shoes. We just aren't prepared to pay these taxes. And the wife convinced him to go away and discuss it for awhile and come back. And they finally came back and bought two less pair of shoes than they had planned to buy.

So those were your rural people and your business people — they're all kind of tied up in a package . . . (inaudible interjection) . . . me? Rolls-Royce? Come on over to my apartment and have some coffee . . .

The Speaker: — Order, order. Order. Order. Order, please. Order. I just want to ask members please do not get into debate with other members when you're addressing the Assembly. You are to address your words through the Speaker, not to other members. Simply ignore other members.

Ms. Crofford: — Thank you, Mr. Speaker. Your comments are heard.

The average increase in prices under the study that was done after implementation of consumer-based taxes ranged from 3 per cent in some countries to 19 per cent in other countries. There's no instance in which the cost of prices of goods or of taxes went down under these systems. Once established, in every case it increased the earning of the taxation which earned it the name of "cash cow" by which it meant that the public could be milked on a regular basis.

Some Hon. Members: Hear, hear!

Ms. Crofford: — Many low income people in poverty are really suffering by this. And there wasn't a person I spoke . . . I spoke to one person in a large corporation who thought that it was a good idea to keep the harmonized tax. That's the only person I spoke to in two years of campaigning who felt this was a good tax . . . (inaudible interjection) . . . the issue of taxation . . . I apologize for that inconsistency.

On a different note, it seems inconsistent for governments who are trying to get our economics out of recession to attack small business by reducing spending power to that portion of the community who are most inclined to return their entire income to the economy. It removes money from the direct production and consumption of wealth, and redirects it to creating a complex tax system that runs us into a nation of tax collectors. We have 3,000 more tax collectors in Ottawa now. Is this where productivity will come from in our society?

It makes businesses less competitive because it increases the cost of goods. And as a final comment, the biggest complaint I have about harmonization is it allows the federal government to set the tax agenda for Saskatchewan. I see no reason why I should allow the priorities of Ottawa to set our tax agenda in this province.

I support Bill No. 3 on the PST repeal, favouring instead a system of fair taxation that rejects the cash grab on the backs of the poor, and instead bases taxation on the ability to pay. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. I rise to lend support to the Bill to enact An Act to amend The Income Tax Act, with some added comments, sir.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — The Saskatchewan Liberal Party has been on record for some time, in fact preceded the present government, with stating that it was fundamentally opposed to the introduction of the harmonization of the PST with the GST.

This was announced in a very unprecedented way in what we termed a media budget, Mr. Speaker. We found that to be unacceptable. This resulted of course, because of the harmonization, in the destruction of many businesses who are already suffering because of minimal profit margin. To take 7 per cent off of a dollar where there's a small profit margin, Mr. Speaker, and then to take another 7 per cent which is 14 cents out of the small profit margin, did indeed really create some major difficulties for businesses.

This in turn, Mr. Speaker, created a situation in which it threatened people who were on minimum wage in their jobs. People who were in the service industry in fact found such a diminishing number of customers that they could not afford to keep people as employees any longer. And of course people were even more hurt who were on fixed incomes.

It also, Mr. Speaker, made Saskatchewan uncompetitive and it drove thousands upon thousands of people from our stores, from their local businesses, to Alberta, and in particular the United States.

The manner in which this was introduced, Mr. Speaker, I would like to reiterate, is completely unacceptable and should be to the people of Saskatchewan. To have tax reform introduced in the media is unacceptable. The timing as well was very, very harmful.

What I objected to as well was that the previous government did not choose to do as some other provinces did, who selected harmonization. They simply took word from Ottawa and did what they were told.

Quebec, I would like to remind the people in this House, chose to harmonize but they did so at their own timing, their own amount. And they in fact chose to not have it in such things as books. In fact Quebec, because of the way in which they chose to harmonize, have the cheapest books in all of Canada.

Now it is known and I am on record for saying this as well, there are benefits to harmonization. Harmonization is a concept and when implemented in the proper manner I think could be of benefit to particularly small businesses who would find it much more simplistic to collect and less expensive as well. The Canadian Federation of Independent Business is on record for supporting the concept of harmonization. They did not support the timing. They did not support the tactics used by the previous government. The Regina Chamber of Commerce as well is on record for stating that they would

benefit from harmonization, Mr. Speaker.

In my view the new government should search for ways to harmonize at a lower rate and in terms that are in the best interests of the people of Saskatchewan. In other words consider specific exemptions. The previous government, as I stated, brought in GST-PST harmonization by announcing it in the media.

I've spent a great deal of my time talking about proper process. I believe that proper process should be followed not only in the way that taxation is implemented in the province, but also the way in which, sir, that it is removed.

And I do not agree with the manner in which the present government chose to try to rectify this situation. They too made these announcements and then they did this in an arbitrary manner by going back. I believe that there is a forum in which taxation should be introduced. There's a way in which it should be amended.

Our province requires overall tax reform, Mr. Speaker. And I pledge to the people of this province that I will assist in whatever way I can to bring about fairer taxes, by working with the government at every turn. We cannot have a repeat of what happened in the 1970s when each and every year the taxes of this province went up by more than \$200 million a year, nor can we have happen a repeat of what we have seen with the GST-PST harmonization.

In closing, Mr. Speaker, I would just like to reiterate my support for this Bill to amend The Income Tax Act.

Some Hon. Members: Hear, hear!

Ms. Lorje: — Thank you, Mr. Speaker. There are many aspects of the expanded PST that are reprehensible, but I'm going to deal with one, and a very important one. Mr. Speaker, the effect of the PST on the Saskatchewan restaurant industry has been devastating. The tax that the former government introduced on April 1 of this year, combined with the federal Tory GST, has directly killed businesses and jobs in our province.

Mr. Speaker, there are more than 20,000 people employed in 750 licensed restaurants and 3,500 food service operations in our province. Mr. Speaker, business there has dropped by 30 per cent across the board, and in some cases by up to 60 per cent, when the expanded PST was arbitrarily shoved onto restaurant meals.

One Regina restaurateur has had to cut staff by 30 per cent because the business just simply isn't there. Net sales in this particular restaurant were down by 40 per cent this September and October compared to the previous year. Although November now has shown a definite improvement, the restaurant industry still has a long road ahead to recovery.

Mr. Speaker, there are 100 fewer restaurants in Regina and Saskatoon alone than there were a year ago, according to the Saskatchewan restaurant and food association. Two more closed in Regina last week, and four more will close during the year . . . before the end of

the year. They attribute that to the loss in business that they suffered for the six months that the expanded PST was on. In Saskatoon at least 10 restaurants closed during the time of this odious tax. The tax on meals was the final straw for them.

Mr. Speaker, the Saskatchewan food and restaurant association estimates that in excess of 1,000 people — 1,000 people — have lost their jobs. And we're not just talking statistics here; we're talking about people — students, parents, working people — working people with groceries to buy and rent to pay. We're talking about minimum wage-earners, 70 per cent of whom are women.

The restaurant business is labour intensive. Students and people who might otherwise find it difficult to find jobs, work in the restaurant business. Four times as many employees work in the restaurant sector as compared to the retail clothing sector for the same dollar volume of business. So when a restaurant is forced to close its doors, many, many jobs are lost.

More to the point, many of these employees are people who can't find other jobs. They are immediately forced onto the public assistance rolls, leading of course to a greater cost to the public purse and to a possible loss of dignity to formerly productive people.

It's doubtful that the former government took in enough money off the 7 per cent food tax to make up for the human and dollar cost caused by this vicious, negative effect.

Mr. Speaker, in addition to the human hurt that this tax cost, it doesn't even make sound economic sense. What good is it to increase government revenue if the net effect is to close businesses and increase unemployment? But that's exactly what they did.

Earlier today I spoke with three or four restaurateurs in Saskatoon. As you may know, Saskatoon has more restaurants per capita than any other city in Canada. This is due in no small part, I'm sure, to the fine, gourmet, culinary taste of Saskatoonians.

Now despite the fact that Saskatoon has a tradition and a record of supporting their restaurants, the expanded PST had a very definite, negative effect on the restaurant business in Saskatoon. When I spoke today with the owner of one of the busiest restaurants in Saskatoon, he told me his business dropped 20 per cent from April 1, 1991, to October 21, 1991. As soon as the tax was repealed he saw an upsurge in business — almost 10 per cent improved. They haven't yet totally recovered from the effects of the tax, but they're trying.

The sad thing, Mr. Speaker, is that this was all totally unnecessary. This same person I talked to, this same person I listened to actually had met with the former premier of this province to warn him about the impact the 7 per cent PST would have on restaurants, their employees, and their customers.

Yes he met with the member from Estevan, and what was the response? I was told that the former premier simply

shrugged his shoulders, became silly, and put on the tax anyway. So this restaurateur and all others across Saskatchewan were ignored. The 7 per cent expanded PST was put on restaurant meals, a tax on food — an unnecessary, hurtful, shameful tax.

But on October 22, Mr. Speaker, the tax was removed. Again I quote from the phone conversation I had with one of the most prominent restaurateurs in Saskatoon. He said, quote: Thank God the tax wasn't there for another six months; there would have been many, many more bankruptcies.

(1230)

Mr. Speaker, I have many friends and acquaintances in the restaurant business. They are unanimous in joining with me in soundly endorsing an end to the expanded PST. They want to work. They want business opportunities. They want to stimulate the economy, and that, Mr. Speaker, is precisely what they will do when we pass this Bill.

Thank you very much.

Some Hon. Members: Hear, hear!

Ms. Bradley: — Thank you, Mr. Speaker. Mr. Speaker, I am pleased to have an opportunity to speak on this important piece of legislation. Repealing the PST was one of the commitments that I and my party made during the election campaign. The removal of the PST has now become in many ways a symbol of hope and a symbol of change for the people of Saskatchewan.

To me, and I know to others, it also symbolizes the return of a government that will keep its word and respect the people of this province.

We promised to repeal the PST and save Saskatchewan families an average of \$740 per year. We told people during the election campaign that we understand how much this tax was hurting our businesses and families. We promised to do away with this damaging and unfair tax once elected.

Well please take note. This government keeps its promises. We have proof right here, right now in this legislature. One of the very first Bills to be introduced this session, the first session of the new government, is the Bill to repeal the expanded harmonized PST. This government keeps its word.

Gone and hopefully for ever for the people of Saskatchewan are the days of government saying one thing publicly and then a few weeks or months later in fact doing the opposite.

Who could forget the 1986 election campaign. We all remember being told, oh don't worry about the debt; it's all under control. But it wasn't. The Conservatives racked up a huge deficit that year. Maybe you remember something like this: Of course we're going to maintain health care programs and universal coverage; we wouldn't change that. But they did.

The children's dental plan, the prescription drug plan, introduction of user fees to name a few.

And here is another: No, we're not going to privatize the public utilities. I know my colleagues remember hearing that from the Conservatives in 1986. And I know some of the members opposite remember even saying those or similar lines.

Is it really any wonder that the people of Saskatchewan have become so cynical about politics.

But you know, if the previous government had been paying attention during the SaskPower walk-out in 1989, they could have learned something. They should have realized at that point that the people of Saskatchewan refuse to be walked on. We are a pretty tolerant and easy going group for the most part. But to our credit, we will not be abused. That is why in 1989 there was such a huge outcry of opposition to privatizing SaskPower. And that is why there has been such a huge outcry in 1991 against the PST.

Fortunately, on the PST issue, people had an opportunity to speak out twice against this unfair tax. We spoke out strongly with our petitions last spring when the PST was first implemented, and we spoke out again on October 21. So in that sense, the PST is also a symbol of how this province demands that its government listens and responds to what people are telling them.

Certainly the people in Bengough-Milestone were making their views very clearly but the previous government deliberately ignored what they were saying. The petitions that were signed opposing the PST came from people in all walks of life. The PST was hurting families and in many cases killing small business. Why was that so difficult for the previous government to understand? People were needing help desperately. So when we began our petitions it was an easy job to get them signed.

In my area, people are not prone to public demonstration of any kind. Many of them had never signed petitions before, but they felt so strongly that they did not hesitate to sign their opposition to the PST. In fact we had members from all political parties signing against the PST. The previous government didn't have to take our word that the PST was unpopular. They could have listened to their own supporters and heard the same thing.

We are all aware of how the PST hurt small businesses. In my constituency, because we are on the U.S. border, businesses were devastated. There was a tax revolt. People refused to pay the PST by going across the line to shop. Hundreds of cars per day crossed at Regway and Oungre, the two ports in my constituency.

While Saskatchewan people were taking their business out of the country, our neighbours to the south were keeping theirs at home. The business from tourism this past summer dropped sharply. The businesses affected blamed the PST. Many, many hotels and restaurants were pushed to the brink of bankruptcy as they watched their business disappear to the U.S.

The PST was a cruel and an unfair tax for both families and small business but the previous government didn't seem to care. The removal of the PST is a hallmark for the people of this province in that we now have a government that is going to represent the concerns and views of average people.

Some Hon. Members: Hear, hear!

Ms. Bradley: — When people are hurting, they will be heard. When this government makes a commitment, it will be honoured. Gone are the days of government double-talk and hidden agendas. By removing the PST through this piece of legislation, I know that we now have a government that is determined to fairly represent all Saskatchewan people. I heartily endorse this legislation. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Draper: — Thank you, Mr. Speaker, sir. I'm pleased to have this opportunity to speak in support of the Bill to abrogate the provincial sales tax and return to the status quo ante of the health and education tax.

There can be no doubt, sir, that we shall lose money as a result of repealing this tax. However, this government is opposed on principle to sales taxes. Sales taxes are regressive in that those with low income pay as much for a specific item as the wealthy. But this amount is a higher proportion of a low wage than it is of a high wage, obviously. Indeed the extra 7 per cent is enough to tip some wage earners over the edge into poverty.

When the health and education tax was introduced, sir, it was targeted specifically at hospitals and schools, which meant that what was paid at the cash register came back to them immediately when they were sick in hospital or to their children in school. I understand that the money now goes into general revenues, but the amount collected every year is known and we can ensure that an equivalent amount is applied to hospitals and schools.

I believe it is important to retain the name health and education tax. It keeps in mind why the tax was instituted. The simple name change of the tax to the provincial sales tax is dangerous. A rose, sir, by any other name may not smell as sweet.

We know of course where the previous administration got their idea of a provincial sales tax from. They got it from good old Brian in the good old spirit of "me too." Anything you say is good enough for me, Brian. It seems to uphold the adage that bad news travels fast, and apparently bad policies travel just as fast.

Some Hon. Members: Hear, hear!

Mr. Draper: — However, it is not just a coincidence. It is concurrence in policy which is to reduce taxes on the well-heeled by increasing those on lower income earners. Progressive income tax is heavy on high income earners, and sales taxes on low income earners, hence the move away from high income taxes and towards high sales taxes, sir.

The introduction of a flat tax on income has been a means of gouging income tax from those so badly paid that even the federal government in all its mercy does not tax them.

Had it not been for the policy of welfare for the wealthy, whereby the previous administration slashed oil royalties, paid \$6 million to GigaText, lost \$3 million on Canapharm, and subsidized Cargill to the extent of \$64 million, sir, we would not be in the mess we are in now. In addition to this, Mr. Speaker, they sold off our profitable Crown corporations. These were deliberate and disastrous policies, Mr. Speaker, and are some of the reasons why there's no money left in the pot now.

I would also like to point out that in 1982 the Leader of the Opposition promised to get rid of the health and education tax altogether. At that time, it was at 5 per cent.

Mr. Speaker, sir, the original sales tax was the education tax, and it was introduced in 1937 at 2 per cent. It became the health and education tax in 1950 at 3 per cent after the introduction of free hospitalization. In 50 years, sir, it rose 3 per cent — 50 years, sir. It took the PCs only five years to raise it 2 per cent, which confirms Tory times are taxing times.

Some Hon. Members: Hear, hear!

Mr. Draper: — The only tax that did go down, sir, was the gasoline tax, and what a fiasco that was. It meant that the town kids could tear around all night disturbing the peace, ageing their father's car, and ripping up the roads, and they got a tax rebate. However, sir, when I drove to the hospital to set a fracture or to deliver a baby, I couldn't get a rebate. Frankly, sir, I cannot think of a more imbecile tax, where a working man is penalized and cruisers get a discount for getting in the way.

The expanded PST is another example of unthink, to paraphrase George Orwell, where the ministry of love wages war.

Some Hon. Members: Hear, hear!

Mr. Draper: — My constituents don't like the PST, sir, and Canadians as a whole don't like its big daddy, the GST. Their existence makes no sense whatever where most of our population lives within easy driving distance of a more diversified and already cheaper market in the U.S.A.

We in Saskatchewan have had the opportunity to demonstrate our displeasure of the PST and other matters. In a year or so, we will all have the opportunity to show our anger at the GST and free trade. Then, sir, the boot will be on the other foot and the great B.M. will be saying, me too, to you know who.

Our border stores in Coronach and Rockglen in my constituency alone were badly hit with cross-border shopping when the GST was introduced, and the PST has made it a double whammy, sir. Sales are not back to normal, but there has been some relief, at least in the hospitality industry. I only hope that they can keep going long enough for us to elect an NDP government in Ottawa that will repeal the GST and . . .

Some Hon. Members: Hear, hear!

(1245)

Mr. Draper: — And this, sir, is the real answer to the problem — not harmonization, but getting rid of the GST. In Europe, every country has a VAT. You cannot nip over the border and avoid it. Half the time you nip over the border and get hit with more. But here we are in Canada with no GST or VAT in the United States and we can dodge it. We lose the revenue, we sink our small businesses, and we end up in more and more financial distress.

At this time of year, sir, we think amongst other things of wise men coming from the East. I suspect that probably that myth is true because it's obvious when you look there that there are no wise men left in the East today.

A combination of bad economics and bad management have brought this province to its knees. The 6 billion deficit is proof of this. The trickle-down theory of Reaganism just doesn't work, sir, as has been amply demonstrated in the U.S.A. and in Canada. It has not been bad luck; it has been bad management.

We do not need to collect money to pay a golfer to wear SaskPower's logo in Florida or Arizona. We don't have a power line down to Florida or Arizona. We don't need a golfer to wear SaskPower's logo in Saskatchewan. SaskPower has got the monopoly. There's no choice. Another example of unthink. Someone I think, sir, had delusions of grandeur.

It would be easy for us just to shrug our shoulders, keep the tax, blame it on the PCs, and say we need the money, even though it was only introduced by press conference. Nevertheless we have decided against the easy way out in favour of what is just and fair for the people of Saskatchewan. It will be difficult to make up the shortfall and it may bring unexpected hardship to professional golfers.

But we are in the process of doing it. Already sales have increased in the past month, simply on the word of our Premier alone. Let us not stop that momentum, sir.

The former premier of the province is quoted in yesterday's *Leader-Post* as saying:

If you can take a Crown corporation that's run by the taxpayer and (the) government and put it in the private sector and it becomes very profitable . . . that's very helpful.

But helpful to whom, sir? I can give my medical practice away to another doctor who could perhaps earn twice what I earn. But what good will that do to me? If we give our Crown corporations away, it won't do the province any good. Such thinking is nonsensical, particularly when you consider that North Canadian Oils alone has deferred taxes of \$83 million.

And where is the money from those sales, sir? I'd like to see that money.

And he paid \$6 million, for advice of that kind? Really, it is incredible.

I would also like to quote another article from yesterday's *Leader-Post* which says:

In 1982, Saskatchewan was a 'have' province and its renewable and non-renewable resources were drawing a good dollar on the market. There was a slight surplus in the government's operating account.

Now heavily reliant on equalization payments, Saskatchewan is coming to Ottawa with its hand out.

Oh what a difference.

And I will leave you with one final quote: Saskatchewan is so rich that even if we mismanage, we shall break even. If breaking even is defined as mismanagement, then what is a \$6 billion deficit, sir? I want to ask you to tell me who the quote came from.

And so, Mr. Speaker, I call upon this House to pass this Bill and eliminate this invidious tax. Thank you, sir.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. I too am pleased to rise in this Assembly to make a few comments regarding the Bill that is before this Assembly. And I certainly welcome the opportunity to share a few thoughts and certainly to maybe even comment on some of the remarks that have been made prior to my speaking this morning. I guess it's already afternoon.

Mr. Speaker, repealing the synchronization of the GST with the expanded E&H tax I believe is a grave mistake. Now we've heard many members in this Assembly already indicate that certainly taxes are something that we don't . . . no one likes to pay. And as you may recall, Mr. Speaker, last spring when we got into the debate on the synchronization of the E&H with the GST, my comments in this Assembly were, as has been made by a few of my colleagues this morning, the fact that no one likes taxes and to bring taxes in or increase taxation in an election year is not an easy thing to do.

The fact is, Mr. Speaker, we are all aware of the fact that the services we demand, the services we expect, the services we receive, must be paid for. And over the past number of years, I don't know of too many people who have said cut back in services, cut back on my . . . I mean, don't increase my power rates, don't increase my telephone rates. We'd like individual line service. We'd certainly like to have access to natural gas. We'd certainly like to be able to continue to enjoy the benefits of a low educational cost and access to health.

And, Mr. Speaker, when you think about all these things you realize that the revenue in this province, because of the downturn in our economy, because of the problems we face in agriculture — which happens to be our number 1 resource sector and has always been and will

continue to be — when you look at the downturn in the revenues derived from resources such as the energy sector, such as oil and gas, and certainly uranium, and many other sectors, Mr. Speaker, we realize that there's only one way to derive the finances that are needed to provide the services that we're looking for.

And as was indicated earlier, did the new Premier of the province, the leader of the then opposition, really give serious thought or the new Finance minister give serious thought to the problems they would face by not synchronizing and expanding the E&H and synchronizing with the GST? Did they also give serious thought to the fact that possibly they didn't need to synchronize the tax?

Mr. Speaker, by not synchronizing this and by repealing the synchronization of the tax, this will hurt many people in the province of Saskatchewan. It certainly hurts Saskatchewan farm families; it certainly hurts business men and women across this province. And, Mr. Speaker, it hurts tradespeople in the province of Saskatchewan.

Mr. Speaker, the repealing of this tax will also hurt shop owners in every constituency especially mine, the constituency of Moosomin, that is not that far from the border of the U.S.A.; especially those who battle with cross-border shopping which is fought on a daily basis. And we're seeing, Mr. Speaker, that cross-border shopping is not only becoming a phenomenon that was familiar to the constituencies of Estevan, Souris-Cannington and then up into Moosomin, but it's expanding beyond into the Saltcoats area and certainly into Yorkton and as well right up into the northern part of our province.

We have seen businesses from across the United States, especially North Dakota and Montana, who have been aggressively advertising in our large centres like Saskatoon, like Prince Albert, like the Yorktons, like the Melforts, Mr. Speaker. And what are they doing? They realize that Canadians have a tendency to want to shop in different locations, certainly across the border, because they feel maybe they're getting a better buy on goods and services.

And maybe at times, Mr. Speaker, the services they are receiving are indeed even better across the line than they are here. And we may have a thing to learn about how we market our product and how we provide a service. And, Mr. Speaker, in my constituency many people do make, if you will, an annual monthly trip across the line to buy goods. It's because of the feeling that they are indeed saving themselves some money.

Due to that fact, Mr. Speaker, many businesses are having a problem. Many businesses are facing the reality of maybe closing their business because of a lack of the business they are receiving. And I believe the NDP government, through this Bill we are discussing today, is going to take away the competitive advantage my constituents desperately needed — constituents involved in the farming and business sector, Mr. Speaker.

I believe, Mr. Speaker, the repealing of the synchronized tax is irresponsible and I believe it's unacceptable.

Repealing the synchronization of our tax will take money directly out of the pockets of farmers and tradespeople as well, since they are no longer tax free on input costs.

And, Mr. Speaker, there are many . . . many of my colleagues can reiterate the tax advantages they did have by being allowed, as in the farm community or the business community, to receive a refund on their input costs.

Now, Mr. Speaker, one thing I must clarify, I think one of the problems and one of the paradoxes we face in Canada, and even in Saskatchewan, is the fact that when we talk of farmer and talking about receiving an input tax credit, well, it's a money . . . that's a cash hand-out from the government and that farmers never pay taxes.

Well, I just want the consumers of Saskatchewan to realize that farmers pay taxes on every good, just as the other consumers. But on the products, the inputs into producing a crop to put on the market, which we know today is much less than its cost of production, farmers, tradespeople, and business men would have been able to get a tax free input and would have indeed received their funding back.

And even in the small operation I run, and certainly as I talk to my brother and father, the amount of dollars that they would have been saving that would have been coming back from their pockets which they could have put into the local business and to the local community to provide services and buy the products they needed, Mr. Speaker, will not be there.

And you just have to look at the refunds that have been received under the GST or through the GST program and multiply that by two, and it is significant dollars to farmers and business men across this province.

Mr. Speaker, this synchronization, or failure to synchronize, certainly affects our farmers. It also takes away from lower income people the \$200 per child per year out of their hands. And, Mr. Speaker, when you look at a \$200 per child tax credit and you take a 7 per cent tax, that's a significant dollar loss. That's actually . . . They have the spending equivalent of something like \$2,700 in order to bring themselves to the point of what the \$200 is going to give them.

So it means that any family in this province receiving the \$200 tax credit had the ability to go out and spend \$2,700. And how many people spend \$2,700 per child each year? So I believe most families, when they sit down and really give some thought, will find that it is a significant loss and, Mr. Speaker, it's a loss to the lower income families — the families we wanted to help, families we were reaching out to. And I believe we all believe in helping those on lower incomes.

The NDP claim to have done studies on the impact of the expanded E&H tax but fail to be able to back up their figures. In fact, Mr. Speaker, Bruce Johnstone, in an article that I have with me today, had this to say about the NDP impact study. The article is dated May 25, 1991. This article is taken from the *Leader-Post* shortly after the NDP released their study, and this is what Mr. Johnstone says:

How did they, the NDP, arrive at these conclusions? (Did they arrive by) The usual way, by making assumptions and some judicious guesswork. Unfortunately, many of the study's assumptions and guesses either ignore the facts or stand them on their head.

Debate adjourned.

The Assembly adjourned at 1 p.m.

Mr. Johnstone goes on to point out many misnomers in the study, such as the down-playing of the \$260 million being rebated to Saskatchewan business owners through synchronization. And, Mr. Speaker, in light of the business tax credit, I talked to one business man who certainly was not happy with me as his MLA back in the spring regarding the harmonization with the GST and the dollar value that would be returned to him. It wasn't till after the election that he realized the significant dollar loss that he was going to incur because we didn't harmonize. And one of the things he said, I'm not happy with harmonization earlier on. But he said yes, it will simplify the taxation system.

But now, Mr. Speaker, he not only realizes that it would have simplified the taxation system, but it would have given him an advantage as a business man in my community by harmonizing the tax.

And as well, Mr. Speaker, the collection at the border by federal customs officials reducing, not increasing, cross-border shopping. Mr. Speaker, by harmonizing or by synchronizing our E&H with the GST, what would it do? The federal employees would have collected not just the 7 per cent GST. They would have collected the 7 per cent harmonized tax.

Mr. Speaker, I would suggest that that added tax along with all the taxes you pay on goods and services you receive when you go across the line would have given people a second thought as to why they would go across say monthly or weekly rather than maybe once or twice a year just to have a holiday. Perhaps the biggest . . . (inaudible) . . . pointed out by Johnstone is that the study fails to consider the effect of the new farm safety net programs on the provincial economy. The whole rationale, Mr. Speaker, for paying an extra \$180 million a year in taxes is to trigger the \$1.3 billion in program payments from GRIP (gross revenue insurance program) and NISA (net income stabilization account).

Mr. Speaker, \$1.3 billion in the Saskatchewan economy means significant tax dollars not only to the government of the province of Saskatchewan but to the residents, to the consumers, and to the users of all the services that we provide, that are provided to people.

The NDP government would have the people of Saskatchewan believe, as Bruce is saying, that 180 million would just disappear into thin air. In fact, Mr. Speaker, without GRIP and NISA, realized net farm income would be negative — 156 million in '90-91 alone, but with the programs it will be mildly positive, an estimated \$330 million. Mr. Speaker, again we see smoke and mirrors.

And, Mr. Speaker, I believe the . . . Being Friday the 13th and being close to 1 o'clock, I have more things to say; I'll ask to adjourn debate.