

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Koenker: — Thank you very much, Mr. Speaker. Just briefly, I'd like to introduce to you and through you a guest from the Sutherland constituency seated in your gallery, Stacey Scotten. She's a first-year university student who has just finished exams and has come to sit in on the proceedings of the legislature. Welcome, Stacey.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Government Financial Procedure

Mr. Neudorf: — Thank you very much, Mr. Speaker, and I would like to direct my question this afternoon to the Premier and, in his absence, anyone who feels best qualified to answer the question.

Mr. Premier, would you agree that the fundamental principle upon which parliamentary democracy has been founded ever since the Magna Carta is the principles of grievance before supply. And if you agree with that, how do you justify bringing a motion before this Assembly that suspends this province's basic law of grievance before supply? And I refer you, sir, to the motion that you have on the blues this afternoon.

Hon. Mr. Tchorzewski: — Quite on the contrary, Mr. Speaker. What the motion intends to do is to provide for this Legislative Assembly to consider the requests for expenditures for the last quarter of this fiscal year, January, February, and March, in order that the members of this legislature can approve that expenditure as is the appropriate way for that to be done — quite contrary to the way the former government did it where they governed and spent a budget which they refused to pass in this legislature in the spring of this year and expended public money through special warrants.

This process will provide grievance of supply. It will provide unlimited debate and give members of this Legislative Assembly the opportunity to ask the questions and to engage in the debate on the supply Bill which will be presented.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Well I say to the Minister of Finance that your argument is about as full of holes as is the budget that is lacking to begin with. Now, Mr. Minister, and I direct my question to the Minister of Finance then; Mr. Minister, your motion claims that you have estimates and that you have calculated necessary changes to those estimates. If that is the case, then why will you not allow the normal, constitutional process to proceed and table those estimates as is provided in the rules that govern our legislative democracy?

In other words, Mr. Minister, you have a budget. Will you table it so that we can discuss the budget and in estimates in the Committee of Finance be able to ask detailed questions of all of the ministers of all of the departments instead of simply going holus-bolus, putting everything in a package so that no one has a clear picture of what you are actually trying to hide. Mr. Minister, will you table your budget?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, in response to the member opposite, I indeed will table today, when I speak to the resolution which is before the House, a document which has been provided to the members opposite in advance so that the members opposite would — which was quite different than was done in the past — be aware of what is being presented.

That document, Mr. Speaker, will outline the proposed expenditures for the final three months of the year. It will report on all of the expenditures which have taken place prior to this since April 1 of this fiscal year. And it will give the members opposite and all the members of the House an opportunity to see what has been spent, what has been prepared to be spent.

If the member's asking, is this a full-fledged budget like one would introduce in the final week of March or whenever a budget comes, no it's not. It is not possible to have a budget prepared in the short period of time because of the crisis that the members opposite created when they prorogued the legislature instead of passing their budget last spring.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. I find it rather interesting that on the very same day 218 years later after the Boston Tea Party, that this government opposite would do something exactly what promoted the Boston Tea Party, when there was no grievance before supply, when there was no taxation without representation; and here we have a government with a massive majority, Mr. Speaker, thwarting their will upon the rest of us without due course to the legislative process.

Mr. Speaker, I have a new question.

The Speaker: — Order. Order. Order. Let the member ask his question.

Mr. Neudorf: — Thank you very much, Mr. Speaker. My new question is to the House Leader, the Government House Leader. Mr. Minister, your government is about to try to suspend the constitution of Saskatchewan and all the rules of this Legislative Assembly. Meanwhile, you ask me in my role as Opposition House Leader to nominate opposition members to special rules committee to rewrite the rules after you have suspended them. Do you think that there is any value in rewriting rules that the government is willing to suspend whenever political convenience requires?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, the members opposite give this legislature no choice because of their irresponsibility in the spring of this year.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — I find it really quite unbelievable that the member from Rosthern could now get up on his feet after he and his Leader of the Opposition created the crisis that we're in now by spending by special warrant, by running away from the legislature. What we are doing, Mr. Speaker, is turning it back to the way it should be. We are coming to the legislature, and we're presenting the expenditure requests for the remainder of the fiscal year so that this legislature can be . . . can approve them and debate them. That is the appropriate thing to do. It's got nothing to do that's contrary to the constitution. It's got everything to do with democracy, grievance of supply, Mr. Speaker, and the right of the members of this legislature to vote on the expenditure of supply.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Speaker, a new question. And I'll direct this question to the Minister of Finance, then. Mr. Speaker, it's amazing that the government opposite does not yet realize that they are the government. Quit blaming the past. Quit blaming others. You have the responsibility to show leadership and to govern this province.

Mr. Minister, in suspending the constitution of the province, you are effectively hiding from your own spending practices. In particular, you will not have individual ministers answering for individual departments so that this Assembly and the people of Saskatchewan cannot get answers to questions such as how much money are you paying for your political hit men in the various departments and agencies. As the Minister of Finance, I want you to tell the people of Saskatchewan whether you intend to take Saskatchewan down a course incompatible with the parliamentary democracy as your outrageous motion in the blues is going to do.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, I want the member opposite to clearly understand that what this motion does is restore parliamentary democracy.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, if it were not for this motion, the only option available to the government would be to operate the government for the remainder of the year by special warrant because there is not time for the new government to prepare a new budget. All we can do is legislatively approve the budget of the former government.

Now, Mr. Speaker, so that's what's happening here, and I don't understand where the member is coming from, except when he talks about how the past hamstring this legislature. I want to tell him that later today I will be

making a ministerial statement which will clearly outline what the past has done to the budgetary process when I report on what has happened to the \$250 million dividend for the Crown Management Board, which never existed and which doesn't exist today because that gentleman over there misled the public of Saskatchewan when he presented that budget.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Speaker, new question to the same minister, Mr. Speaker. While the minister is rapidly going back into the future, I would like to suggest to you, sir, that when you talk about democratic principles and so on . . . I want to read, Mr. Speaker, just very briefly on this new question the last paragraph of this so-called democratic reform. And it states:

And that the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, and the usual procedures for the tabling, referral and consideration of Estimates and for the presentation of a budget and the budget debate shall not apply to the extent of any inconsistency with the foregoing procedure.

Mr. Minister, how can you in a democratically elected Assembly say that no rule that is contrary to what your intentions are, are going to apply in this Assembly? What are you doing to the democratic process, Mr. Minister? Answer that for the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — For the information of the member opposite, Mr. Speaker, the democratic process will take place in this legislature and the members of this legislature will deal with this resolution which will, under the impossible circumstances that the government faces created by the members opposite, provide a one-time provision where we . . . where the legislature democratically can deal with the provision of supply for the remainder of this fiscal year.

And we have gone even further, Mr. Speaker. I will provide for the members opposite, as the members opposite already have in advance, a report on all of the expenditures which already have taken place under the administration of the Government of Saskatchewan through special warrant and interim supply, which is the responsibility of the members opposite, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Speaker, I'm obviously not getting any answers to the questions from the Minister of Finance. And I was going to ask the next question of the Premier, but perhaps the Minister of Justice could probably . . . he's a reasonable, level-headed individual . . . fellow that might give us the answer that I'm looking for.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Speaker, a question directed to the Premier. Mr. Premier, our research indicates that the nefarious motion of your Minister of Finance is

unprecedented in Canada and probably all of the free Commonwealth.

That motion that you have on the blues this morning . . . or this afternoon, suspends the constitution of Saskatchewan by eliminating the requirement of presenting a budget, presenting estimates, as you well know. This is the most fundamental principle of parliamentary democracy, and your government is suspending it.

How would you suggest, Mr. Minister, that the Premier . . . that the Premier's credibility in negotiating the nation's constitution is going to be upheld while you are busily suspending your own constitution here in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, I remind the member opposite that his exaggeration about suspending the constitution is absolutely and totally inaccurate.

I think, Mr. Speaker, it also has to be made clear that the time when the democracy of this legislature was abrogated is when the members opposite presented the budget, were faced with a non-confidence motion which they knew that they would lose, and they deserted this legislature and did not pass a budget, Mr. Speaker, and used special warrants to bring about the expenditures on a month-by-month basis, which we are not prepared to do. And that's why we have this motion.

I also want to say, Mr. Speaker, in my final comment in response to the member opposite that this process which we have before you today was developed in consultation with the Justice department and in consultation with the Legislative Assembly Office. It meets the requirements that have to be met, Mr. Speaker, and it's up to the members of this legislature now to deal with it in order that the legislature can have an opportunity to vote supply for the last quarter of this year.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. New question to the Minister of Finance. Mr. Minister, you know full well that in this Legislative Assembly last spring that a budget was presented, that a budget speech was presented, that debate took place, and that that particular budget debate was passed in this legislature. What were not passed in this legislature were the estimates of that particular budget before this House shut down.

Mr. Minister, are you saying to Saskatchewan people today, are you saying today that it isn't worthwhile, given your own admission that you have estimates ready, that it is not worthwhile to go through six days of debate on a budget so that the people of this province know what your ministers are up to. Are you saying that today to this legislature, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. I want to remind the member opposite in the House that when the former premier prorogued this legislature, all of

the matters that were before this legislature were then dead. They no longer were valid, Mr. Speaker, because of the action by the members opposite.

What we have here, Mr. Speaker, is a request from the legislature to pay the supply for the administration of the Government of Saskatchewan in the last quarter of this year. That is the way it has to be because of the difficulties that were created by the members opposite.

There is not an opportunity, Mr. Speaker, to prepare a new budget because of the time frame that is available. The only other option that would be available would be to run the government for the remainder of this fiscal year through special warrants. This government is not prepared to do that, Mr. Speaker, and that's why we have this motion to the House here today.

Some Hon. Members: Hear, hear!

Mr. Swenson: — New question to the minister, Mr. Speaker. Mr. Minister, yes in fact you can run the Government of Saskatchewan by special warrants. And the only reason, Mr. Minister, that I suggest that you have brought in a motion that would abrogate every rule this Assembly has ever known is that you made a great political stance in Saskatchewan that you would not do it. And today you are willing to suspend the constitution of this legislature in this province so that foolish promises that you made to the public of this province don't have to be acted upon.

Mr. Minister, you can bring forward a budget because you say you have estimates. Bring that budget forward, debate it for six days, and do what is right in this province. Don't hide behind the promises, the hollow promises that you made during the election campaign.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, the choice that was made that created the situation which we face today was a choice of the members opposite, not the members of this side of the House and the new government. They made that choice by not dealing with the budget which they presented, which has created the dilemma that we face today, Mr. Speaker.

I want to tell the member opposite he will have, when we get into committee, all the opportunity to debate as much as he wants. We're prepared to sit here as long . . . as many hours as we need to throughout the Christmas time in order for the member to ask the questions he wants. I will be here . . .

The Speaker: — Order. I gave ample time to the member from Rosthern to ask his questions. He had that opportunity. Please do not interrupt when the Minister of Finance is giving his answer.

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker, I was concluding. I just want to assure the member opposite that I, as the Minister of Finance, will be here to address the questions that he asks. That's why we're providing the detail that we're providing on the request for supply for the last quarter of the year. He will have that opportunity,

and I invite him to take advantage of that opportunity and engage in debate and ask whatever questions he desires.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Mr. Speaker, new question to the minister. Mr. Minister, those arguments ring so hollow. The people of Saskatchewan in October made a choice. They chose a New Democratic Party government.

Some Hon. Members: Hear, hear!

Mr. Swenson: — All through our history people have made choices at election time. Sir, they elected your government to bring forward your plan; to bring forward a budget. You cannot hide behind what was in the past. Sir, you have said in this motion that you have gone through and made the estimates. Then present those estimates in their proper form to this legislature, sir, so that your ministers stand one by one and account to the people of Saskatchewan how you will spend that money because, sir, it is grievance before supply. It always has been. This motion . . .

The Speaker: — Order, order. Order, order. The member has gone for over a minute, has not asked a question yet. Does he have a question? If he has a question, please put it.

Mr. Swenson: — Thank you, Mr. Speaker. Will the minister follow the precedent and rules of this legislature and do what always has been done before by new governments, and that is bring in your spending requirements in their proper form? Will you do that, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. To the member opposite through you, Mr. Speaker, it is not the responsibility of ministers of the new government on this side of the House to answer for the wasteful expenditure habits of the members opposite.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — This legislature will deal with the expenditures being proposed by this government in the remaining time left in this fiscal year. And that is the appropriate thing to do.

In the next session of the legislature, or this session if it continues, when the new budget is presented, the supplementary estimates and all of the expenditures that those members opposite created will be presented for full and detailed consideration as well, Mr. Speaker.

In the meantime the choice that the people of Saskatchewan made was this. They said, we don't want you to govern by special warrants for the rest of the year. We want you to have the legislature approve the expenditure of the Government of Saskatchewan. We're going to allow the legislature to do just that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. A

new question to the Minister of Finance. It's unfortunate that the hon. member gets up and his first act is to set the constitutional Assembly of Saskatchewan back 218 years as his first act.

Mr. Minister, I want you to clarify something for me. Because of the hubbub going around from your side of the House it was difficult for me in the preceding question to get all of your answer. But did you tell me that you had provided a copy of the report to this caucus and to the members on this side? Would you confirm that?

Hon. Mr. Tchorzewski: — Yes, Mr. Speaker, the members of the opposition were contacted this morning and told that I was going to make the report available to the members of the opposition. I think the member of the Liberal Party availed herself of that opportunity. If the members in the Conservative Party did not, I think only they can explain why they might not have done that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — A new question to the minister, Mr. Speaker. Are you telling me, Mr. Minister, that you've contacted us, that if we came to your office we could come and pick up a report? We have no indication of such at all. I have no report. None of my members here has a report of that. We don't know what you're talking about.

Are you talking about a financial report? Are you perhaps talking about the budget that you should have handed down? What are you talking about, Mr. Minister?

Hon. Mr. Tchorzewski: — Mr. Speaker, it certainly is not the responsibility of this Minister of Finance to deal with the disorganization of the official opposition in this legislature.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — If the former premier cannot organize his caucus so that they can avail themselves of an opportunity to access information in a democratic fashion which is presented in advance to the members opposite so that in co-operation, in the spirit of co-operation, I can't explain that, Mr. Speaker.

That information was available to you in the same way as it was to the member of the Liberal Party. She took advantage of it. For some reason, Mr. Speaker, the members of the official opposition refused to do that. I can't explain the reason for that.

Some Hon. Members: Hear, hear!

Mr. Devine: — Thank you, Mr. Speaker. I'm going to address the question to the Deputy Premier, and the Minister of Finance. I want to briefly point out, Mr. Speaker, that as he will recall, he presented a budget in 1982 and shortly after that . . . you presented a budget in 1982, if you recall that, and it never passed estimates but there was an election called, and there was a new government. The new government took the time, Mr. Speaker — the minister knows that — and then presented

a brand-new budget to the people of Saskatchewan.

The point is, Mr. Minister, that never in the history of Saskatchewan have we gone through a whole fiscal year without a budget that's passed. It's your responsibility, Mr. Speaker, it's your responsibility to do that.

I ask you today, Mr. Minister . . .

The Speaker: — Order, order.

Mr. Devine: — I ask the minister today, if when we won the election we presented a new budget, why can't you do what is the precedent thing to do in any legislature — once you win, present a budget to the people of Saskatchewan?

And don't suspend the rules. Let us debate and ask the Minister of Agriculture questions, the minister of Economic Development questions, the Minister of Justice questions on all his estimates.

Why don't you just play by the rules and present a budget like we do, and every other government in the history of the British parliamentary system?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — I guess, Mr. Speaker, I can answer the question by asking the member who has just rose to ask his question why he did not pass his budget and therefore would have prevented this province from operating for a whole fiscal year without a budget. That's the question, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — I also remind the member opposite, the Leader of the Opposition, that it took them seven months to prepare that budget in 1982. This government faces a situation where there's only three months left in this fiscal year and needs to get on with preparing the budget for 1992-1993. And that's why this resolution is here — in order to be able to democratically pass on the supply Bill.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Government Financial Procedure

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. I don't mean to monopolize the process of this House today, but this is a ministerial statement which is extremely important which I want to make today on a very important matter. I want to make a brief statement on a matter of great concern to the people of this province.

Last month, shortly after this government assumed office, I revealed to the people of Saskatchewan that this year's operating deficit is far larger than we had been led to believe. One of the reasons for this is that a projected \$250 million dividend from the Crown Investments Corporation to the general fund could not be paid because the money was not there.

Since that time a number of people have asked why the money isn't there, where it went, or why we just can't find it in the budgets of the Crown corporations. In order to be able to respond to that question, Mr. Speaker, in an objective way, I have commissioned the firm of Deloitte & Touche to take a look at the financial situation in the Crown Management Board and to present the report. I will table that report today at the conclusion of my remarks.

Briefly, Mr. Speaker, the conclusion of Deloitte & Touche is that there is no money in the Crown Management Board to pay a dividend of \$250 million. There never was the money available when the dividend was included in the 1991 budget last spring. The government just simply decided . . . the former government just simply decided that they would put a number in in order to make the deficit look good.

The study also concludes that the problem arose at the end of 1990 when Crown Management Board was forced to pay a dividend of \$310 million to the government when it did not have that money, Mr. Speaker. Management of Crown Management Board recommended against the payment of the dividend on the very sound financial reasons that the money was not available and being forced to pay such a dividend would prohibit any dividend in the current fiscal year and likely for some future years as well.

None the less, Mr. Speaker, and regretfully so, the Crown Management Board was directed and forced to pay the \$310 million before the end of that calendar year.

As a result of that and other factors such as a loss of \$100 million in the sale of Cameco shares, Crown Investments Corporation finds itself in the position of having a negative retained earning position for the year. And it is prohibited by a 1983 order in council from paying a dividend in a year where it does not have positive retained earnings. There is no dividend from the Crown for the government this year for two very good reasons: Crown Management Board does not have the money, and it would be illegal for them to pay such a dividend in their current situation.

Those are the facts which were, or should have been, known to the members opposite in the spring of this year, Mr. Speaker, when they presented their last budget. In the face of those facts, we can see that the spring budget contained a proposed \$250 million dividend from CIC (Crown Investments Corporation of Saskatchewan) or Crown Management Board which never should have been there. Perhaps the members opposite, Mr. Speaker, can tell us why it was included, particularly the Leader of the Opposition who was then a member of the Crown Management Board?

With those remarks, Mr. Speaker, I want to table now the report that has been prepared after a considerable amount of work and study by Deloitte & Touche for the information of this Legislative Assembly and the public of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Speaker, I would like to ask leave to introduce some visitors.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Goulet: — Mr. Speaker, I see on the west gallery Mr. Winston Bugler, who is a teacher on the Cowessess Community Education Centre, and I would like to welcome them to the House using one of the languages of the province of Saskatchewan, which is Cree, Mr. Speaker.

(The hon. member spoke for a time in Cree.)

Hon. Members: Hear, hear!

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

Mr. Scott: — I'd like to also extend congratulations and welcome the students . . . (inaudible interjection) . . . Yes.

Leave granted.

Mr. Scott: — Thank you, Mr. Speaker. I too would like to welcome Mr. Bugler and the students from Cowessess Reserve to the Legislative Assembly here. And I would invite you to join me for refreshments in a few minutes time, as soon as you're ready to leave. Thank you.

Hon. Members: Hear, hear!

The Speaker: — Okay, I'm sorry. The member from Thunder Creek, yes. Why are you on your feet?

Mr. Swenson: — Mr. Speaker, as a ministerial statement, I believe the opposition has the opportunity to respond.

The Speaker: — Yes, you do. I wish though in the future, that if the member does want to speak to a ministerial statement that he get on his feet immediately before another member gets on his feet. I was waiting for you to get on your feet and you didn't . . . (inaudible interjection) . . . but that's fair enough. I just say, in the future indicate to me that you wish to respond.

MINISTERIAL STATEMENTS

Government Financial Procedure (continued)

Mr. Swenson: — Thank you, Mr. Speaker. I certainly appreciate your wisdom in ruling. Given the nature of the introductions, it kind of threw me a little bit.

Mr. Speaker, it has always been a fact of life in this province that cabinet makes choices when they are setting their budget process. Mr. Speaker, what this minister is attempting to do is foist off on the people of today in Saskatchewan a similar type of statement as he did with his wild budget exaggeration some month and a half ago.

Mr. Speaker, ever since 1981, Crown Management Board has paid dividends to the Consolidated Fund of the

province of Saskatchewan. It was done under previous governments. It was certainly done under the last government, the PC (Progressive Conservative) government in Saskatchewan.

Mr. Speaker, this minister, because of certain ideological blank points, is determined that there is no \$250 million dividend this year. And I find it kind of interesting that the same firm that has provided us with the chairman of the Gass Commission is now the one that the minister opposite takes to provide his information to this House.

It is very clear, Mr. Speaker, that this government is taking the same tack that they have with the Gass Commission where they don't wish to divulge every little thing to the public of the province. They pick and choose of when they will have closed doors and when they will not. They pick and choose of who will answer in this legislature and who will not. The minister says today that he has estimates available, but that only he will stand in this House and present the reasons for, not the ministers of this government.

I want to ask, and I will at later points, Mr. Speaker, in this debate . . . The minister knows full well that there was a \$90 million gain on a currency swap that he hasn't mentioned to the public at all. The minister knows full well that there was retained earnings in the Liquor Board account which he has chosen not to talk about in this House.

The minister knows full well that there was no hundred million dollar loss on the sale of Cameco shares. There was assets which had a value put on by the former NDP (New Democratic Party) government. Mr. Speaker, assets are only worth what the market-place will pay.

Mr. Speaker, this minister knows full well that in other provinces in Canada cabinet makes decisions on how the budget looks. Even in Ontario, their Finance minister has said, every Crown corporation in Ontario is up for public share offerings except Ontario Hydro and the lotteries commission. This minister has many opportunities, as does his cabinet, to look at the parts of government which may very well provide more benefit to the people of Saskatchewan in the hands of shareholders than they do strictly within the government realm.

Mr. Speaker, what we are seeing here today, as was mentioned in question period, is unprecedented in our history in this legislature. Never before have we had . . .

The Speaker: — Order. The member is straying way off the topic. If he has a concluding remark I will accept that, otherwise I'd conclude the remarks quickly.

Mr. Swenson: — Mr. Speaker, the minister has not told this House nor the public where the money from the shares of the Potash Corporation of Saskatchewan went. This minister has not told the public where the shares in the sale of IPSCO went. And that is precisely the point that we have been trying to make today, Mr. Speaker, that what the minister is presenting before us is only partially the story of the fiscal position of this province.

Mr. Speaker, we're saying to the minister, we look

forward to him coming clean later this day.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Government Financial Procedure

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. I am pleased to rise today to make some comments on the motion which I will be moving at the conclusion of my remarks in order to deal with a situation which this government and this legislature faces because of the fact that this spring the former government presented a budget and then prorogued the legislature and did not pass it, leaving very limited time in order to provide the supply which is required to complete the remaining three months of this fiscal year.

The procedural motion before the House today is brought forward, as the members opposite have said, in extraordinary circumstances. When this Assembly prorogued suddenly on June 18, 1991, the 1991-92 budget was not passed. The previous government abandoned its budget and the normal processes by which the legislature approves the appropriation of public funds.

The fiscal year is almost over. Public moneys have either been spent or committed according to the previous government's plan without the approval of this legislature.

Members will know that our government stated clearly in the throne speech that the primary work of this session is to provide supply through the legitimate means for the remainder of the current fiscal year.

The government has the greatest respect for the fundamental tradition that public funds must be appropriated by the legislature and that all members have the right of grievance before supply. It is out of this respect that the government has come before this House to seek legislative approval for the appropriation in these difficult and complicated circumstances.

The procedural motion asks all members to take special steps to vote supply on the basis of the estimates first presented to this House in April of 1991. And I want to take this opportunity to emphasize for all members a number of important aspects of the procedural motion and the process outlined therein.

First, this motion seeks a one-time exemption to the normal budget procedures followed by this House, and members have the right and the opportunity of full debate on this procedural motion.

Secondly, the government has respected the right of all members to grievance before supply. Members will note that the supply process in the Committee of Finance prior to the introduction of an Appropriation Bill also allows for question and debate. I will answer members' questions in the Committee of Finance in accordance with that, Mr.

Speaker. The normal rules and procedures of the Assembly with respect to the passage of the Appropriation Bill will also apply.

And finally, Mr. Speaker, immediately upon the conclusion of my remarks and the moving of the motion I have brought before this Assembly, I shall table the 1991-92 financial report which includes the proposed expenditures and disbursements of the Consolidated Fund and the Saskatchewan Heritage Fund for the three remaining months for the 1991-92 fiscal year. This report will then be referred immediately to the Committee of Finance.

As I mentioned in question period, Mr. Speaker, I have made this financial report available to members opposite so that they would have it in advance. Mr. Speaker, I believe that members will find that the process proposed in the procedural motion is the most reasonable and fair approach that is possible in the circumstances which we now find ourselves.

In conclusion, Mr. Speaker, I want to say a few words about the only alternative to appropriation based legislative approval. In recent years the province of Saskatchewan has experienced far too much public spending behind closed doors by special warrants. That is not to say that from time to time, Mr. Speaker, there will not be special warrants. There will be circumstances under any government in which they're necessary, but not on the basis of which we saw them being carried out and implemented by cabinet in this fiscal year. Most recently, from June 18, 1991, when the previous government left the legislature, up to October 21, approximately \$11 million a day was spent by special warrants.

Mr. Speaker, it is the government's position that this practice of funding the ongoing operations of government through special warrants cannot continue. Therefore I ask all members to join us in restoring fiscal integrity in the province of Saskatchewan. It is time for a new style in this legislature — one founded on the principles of openness, accountability, and integrity. It is time to rebuild and renew the time-honoured tradition of this legislature. A vote in support of this motion will ensure the right of all members to grievance before supply and allow this legislature to perform one of its most important functions — the approval of public expenditures.

(1445)

Mr. Speaker, it is my firm belief that the people of the province of Saskatchewan expect nothing less than legislative approval of public spending even in these difficult circumstances. And I therefore encourage all members to join us in this effort to begin to restore fiscal integrity in the province of Saskatchewan.

Before I move the motion, Mr. Speaker, I want to table the financial report for the information of this Legislative Assembly at this time. Thank you.

Mr. Speaker, before I sit down I want to read for the House the motion and move it, seconded by my colleague, the member for Elphinstone, the House Leader:

That this Assembly hereby approves the following procedure to facilitate the Legislative Assembly's consideration of a Bill to appropriate funds necessary to fund government operations for the three remaining months of the 1991-92 fiscal year:

(1) the Minister of Finance shall table a 1991-92 financial report which includes the proposed expenditures and disbursements of the Consolidated Fund and the Saskatchewan Heritage Fund for the three remaining months of the 1991-92 fiscal year, and which shall be based upon and show changes to the *Estimates* first introduced in this Legislative Assembly on April 22, 1991;

(2) when tabled in the Assembly the 1991-92 financial report is hereby referred to the Committee of Finance;

(3) resolutions shall be introduced in the Committee of Finance, authorizing the introduction of an Appropriation Bill to appropriate funds for the three remaining months of the 1991-92 fiscal year;

(4) an Appropriation Bill based on the resolutions shall be so introduced and rule 15 shall apply.

And that the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, and the usual procedures for the tabling, referral, and consideration of the *Estimates* and for the presentation of a budget and a budget debate shall not apply to the extent of any inconsistency with the foregoing procedure.

I so move, Mr. Speaker, and as soon as I've signed it, I will pass it on.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, if this Assembly is to take this minister at his word, given the last paragraph in this particular motion and given the rationale that the minister has presented to this House, is it fair to say then that in all other matters where this particular government does not wish to follow the rules and proceedings as normally laid down in this legislature, that they will use the same procedures to overrule this Legislative Assembly?

Mr. Speaker, I see this as a very dangerous precedent for this Assembly, not because it simply has not been done before, because we all know that our parliamentary process has changed over the years, but one thing has always been fundamental, Mr. Speaker, is those changes have taken place. And that is the question of grievance before supply.

The minister makes all sorts of analogies and tries to bring about justification for what he's doing because of what occurred in this Assembly in the last year. But, Mr. Speaker, those types of precedents have happened across

Canada in other jurisdictions.

And in fact we see the case of the legislature of British Columbia, the new NDP government of B.C. not bringing forward a budget and indeed operating on special warrants simply because they did not want to transgress upon the rules of the legislature of British Columbia as this member has chosen to do here.

When questioned out there, the minister in B.C., the New Democratic Party minister clearly said that is why the B.C. government would be operating on special warrants until the end of the year, because to bring in a process such as we're seeing here today would be a transgression of the parliamentary process that they were not prepared to go through.

Mr. Speaker, it is incredible that this Minister of Finance would stand before us today and say that the achievement of a \$250 million dividend from CMB (Crown Management Board of Saskatchewan) is simply not there. If this minister perhaps had come forward and said there is only 100 million there or 150 million, he might have had some credibility.

But, Mr. Speaker, for this minister, knowing full well as a previous Finance minister in this province of how those decisions are arrived at in cabinet, to say that SaskPower who have a very good retained earnings ratio, Mr. Speaker, could not come forward with anything to contribute to the Crown Management Board is ludicrous.

This minister has not come before this legislature, Mr. Speaker, and told us about the retained earnings in the Liquor Board account. He has not told us about the gain on the currency swap which occurred last summer. He has not told us what happened with the sales of the Potash Corporation of Saskatchewan.

And most of all, Mr. Speaker, this minister is trying to convince the public of Saskatchewan that they are not prepared to look at new ways of doing business in this province, that they will hide behind some type of ideological curtain and not do what other governments across Canada are doing every day.

Mr. Speaker, what we're seeing here today is clearly unprecedented in our history. This Minister of Finance knows full well that the budget that he presented in 1982 was shut down by a prorogation of this legislature and that the new government operated on special warrants, I believe it was for three months, before convening this House again — convening this House again and then bringing in a budget in the September-October period of time. Not seven months as the minister said, a much shorter period of time.

Mr. Speaker, at least a budget was presented in the province of Saskatchewan. We have a minister, by his own admission — by his own admission — who has gone through the books of Saskatchewan to the point where he has estimates which he says he has in his motion. And yet those estimates, Mr. Speaker, are simply not good enough to present to this House minister by minister. He says that he has estimates of the finances of the province of Saskatchewan that aren't legitimate enough, Mr. Speaker,

to withstand a six-day budget debate.

Mr. Speaker, this opposition would be prepared to sit here till Christmas Eve and come back again on December 27 and come back again on January 2 to allow this government to present those *Estimates* in the fashion that they normally are done in this legislature.

And instead, Mr. Speaker, we have a motion before us that says that the rules and procedures will be suspended so that this minister — this minister — can stand in this House alone and not have the rest of his cabinet colleagues answer to this Assembly and to the people of this province of how those expenditures are going to be made; so that ministers will not have to stand in this House and tell us what certain of their political friends are being paid in high offices. He will not have to stand in this office and explain the contractual agreements of Jack Messer and of Garry Beatty and other people that this government has hired on a contractual basis, Mr. Speaker.

At least in a budgetary process members on this side of the House, as I remind those members did when they were in opposition, had the opportunity to stand and ask those questions minister by minister. Never before have we seen a process where only the Finance minister will stand in this House and answer for the entire Government of Saskatchewan.

Mr. Speaker, if the government, a New Democratic government of British Columbia can recognize the pitfalls that go along with the process as outlined by the Minister of Finance today, how in the world can this minister stand here and tell us that he is going to do what he is proposing today with the finances of this province?

Mr. Speaker, he refers in his motion to an accounting firm. Have we in this legislature, Mr. Speaker, sunk so low that we are going to take the word of Deloitte Touche as pronounced by the Minister of Finance as the *raison d'être* that this Assembly should grant to this minister supply for the remaining four months of the fiscal year of Saskatchewan without a budget?

And yet that is what that member stood and said earlier in question period, Mr. Speaker, that he has had Deloitte Touche look through the books and Deloitte Touche have come up with this particular figure and that simply should be good enough for the people of Saskatchewan to give this minister unimpeded access to four months supply in this province. The minister doesn't like those words, Mr. Speaker, but they are the truth and they are what came out of his mouth earlier this day.

He expects farmers in Saskatchewan who may or may not have a moratorium placed upon them this year to accept these spending guide-lines as laid down by the minister without a budget being in place. This minister and his government said in the throne speech, Mr. Speaker, that they were going to change the way that farm financing was done in this province. Well everyone knows, Mr. Speaker, that farm financing is a billion dollar problem.

And yet this minister would have us believe that his government is going to be proactive in this area, it is going

to perhaps bring in legislation — legislation that could amount to hundreds of millions of dollars of impact on the province of Saskatchewan, and he is going to do it based on a report prepared by Deloitte Touche. Now isn't that something, Mr. Speaker.

This minister has said that I fully expect to manage the province's finances for the next four months basis on one accounting firm's recommendations in this province. If the minister had even had the good graces to go to a number of accounting firms. But no, he simply picks one, and that is the basis that this legislature is going to grant him supply on whatever program this government may embark upon without a budget, without members of this Legislative Assembly having the opportunity to question, for instance, the Minister of Agriculture on what will happen with the expenditures tied to ACS (Agricultural Credit Corporation of Saskatchewan) if a moratorium is brought down upon us.

Or is this minister saying to the public of Saskatchewan by bringing in this motion that the farm community is on hold until we bring in a new budget some time in April of 1992? Because what he has said to this Assembly today leads me to no other conclusion, Mr. Speaker.

(1500)

Mr. Speaker, the areas of education, of health care, of social services, are all large users of taxpayers' dollars in this province. This minister has said today, basis a report put together by Deloitte Touche for this government, that they will expend moneys in the next four months in those areas which amount to billions of dollars, without members of this legislature having the opportunity to question the Minister of Health, the Minister of Social Services, the Minister of Justice, on how those moneys will be expended.

That is why, Mr. Speaker, no other government in the history of our country or, as our research has pointed out, anywhere in the freely elected Commonwealth has the procedure that this member has brought before this House ever been done before. That is why it has been rejected in the province of British Columbia and every other province in Canada as being unacceptable, because it breaks all of the basic things that our legislative process are built upon.

Mr. Speaker, it would not have been so abhorrent if the member had not put the last paragraph in even. He expects us to take the word of one accounting firm and give him supply for four months, but that he would have the gall to stand in this legislature and say that we are suspending every last rule that was ever developed in here through our history, since coming into Confederation, Mr. Speaker, anything that stands in the road of this government will be trod upon.

If this is the attitude, how can the opposition or the members of the public in Saskatchewan not be assured that those same rules will not apply to any other legislation that this government brings forward?

If it's good enough to spend the taxpayers' money without grievance, I'm sure it will be good enough to pass other

legislation in this legislature without grievance and that individuals out there will have their individual rights trod upon because this government sees fit to set aside the rules and procedures of this legislature.

Mr. Speaker, I wish to make a motion, an amendment to the motion:

That all the words following the phrase "That this Assembly" be deleted and the following be substituted therefor:

orders the Minister of Finance to abide by the constitutional conventions of the province and the rules and procedures of this Assembly and further orders the Minister of Finance to introduce a budget in this Assembly within six sitting days of the passage of this motion.

I so move.

The division bells rang from 3:05 p.m. until 9:02 p.m.

Amendment negated on the following recorded division.

Yeas — 8

Devine	Martens
Muirhead	Britton
Swenson	Goohsen
Boyd	D'Autremont

Nays — 32

Van Mulligen	Hamilton
Wiens	Johnson
Tchorzewski	Serby
Koskie	Whitmore
Goulet	Sonntag
Atkinson	Roy
Kowalsky	McPherson
Carson	Kujawa
MacKinnon	Crofford
Upshall	Knezacek
Hagel	Harper
Bradley	Keeping
Lorje	Kluz
Lyons	Carlson
Pringle	Langford
Murray	Jess

Some Hon. Members: Hear, hear!

Mr. Devine: — I have a few remarks, Mr. Speaker, and then I'm going to make a proposal which I will send over to the Deputy Premier and Minister of Finance.

Mr. Speaker, I am frankly saddened to have to speak to a motion that suspends the constitution of the province, and I want to make it clear that this motion indeed does exactly that. It removes the obligation of the Government of Saskatchewan to present a budget. That's the first thing, Mr. Speaker. The government has been duly elected and it will not present a budget in the province of Saskatchewan for 1991-92. And I want the public, and

the media, and all fair-minded members of the Assembly, to understand one simple, reasonable comment: the argument of the government that it does not have the time to present a budget is clearly at odds with the facts.

They are, in fact, presenting a budget in everything but name, Mr. Speaker. I challenge all members who claim any degree of fairness, and honesty, and independence, who claim to have knowledge of the process, to go through the so-called financial report and indicate where that document departs from a normal budget document in any place except the cover page.

The cover page has been changed to say, and I quote, "Financial Report" instead of "Budget Estimates." But look inside, Mr. Speaker, and you will find all the contents of a budget, up to and including vote numbers and even item numbers.

So the truth is, Mr. Speaker — and I want the public to fully recognize this, and members of the media — the actual honest truth, if the government ever chooses to acknowledge it, is that they have had time, and they have in fact released a budget. They just are afraid to call it that.

And, Mr. Speaker, they want to suspend the constitution of the province of Saskatchewan any way they can for obvious reasons now. Now why, Mr. Speaker, would they want to do this at this time?

First, and we saw it time and time again, Mr. Speaker, they want to hide their ministers from being before the Assembly in estimates. They do not want the Minister of Rural Development to have to justify the spending of his department, or the firings of hundreds of people, that he is engaged in.

Mr. Speaker, if I would just get the co-operation from the members from Moose Jaw, I would just say this again, Mr. Speaker. The public would like the Minister of Rural Development to justify the spending of his department and the firings of hundreds of rural people.

The government opposite does not want the Minister of Community Services to justify her budget. They do not want the Minister of Social Services to justify her budget. They're afraid to have the Minister of Agriculture stand on his feet and defend his budget for the lack of support for farmers. Now that can be the only reason that they're afraid to table a budget in this Legislative Assembly. They're afraid to have their ministers stand and defend their departments and their portfolios. They've got the document.

They have absolutely no confidence in these new ministers and they want to hide them, so this move to suspend the rules, go around the democratic process, and ignore the very basics of the duty of this Assembly.

Grievance before supply, Mr. Speaker, minister by minister by minister by minister. And never in the history of Saskatchewan have we had the opportunity to have a government present a budget and not have the ministers stand in their place and defend it estimate by estimate, department by department.

Under the administration, Mr. Speaker, that has just been newly elected and duly elected by the public, and they're afraid to defend their ministers and the budget.

Well that's the first thing, Mr. Speaker — no confidence in the ministers. We've seen them duck several questions. We've seen them duck emergency debate. We've seen them afraid to respond to questions in the legislature, and now they're afraid to defend their estimates. And one after the other, afraid to stand in their place and defend the estimates that I've mentioned so far.

The second is that they do not want to sit in the House and work, Mr. Speaker. Imagine that. They're just newly elected, they're anxious to call the legislature in . . . Mr. Speaker, by listening to the members opposite on the government side, they should be ashamed of this, Mr. Speaker. They can chirp away, Mr. Speaker, but this has never, ever been done in British parliamentary history — ever been done.

After an election, a new government, Mr. Speaker, after an election a new government will not present a budget. Can you imagine that?

Now there's only two reasons, Mr. Speaker. Mr. Speaker, they're afraid to have their ministers defend themselves, and they don't want to sit in this House and work, Mr. Speaker. And we've seen it over and over again because of the patronage, because of the mistakes, because of the witch-hunts, because of the kinds of things that we brought to the floor of this legislature, Mr. Speaker.

They indicated from the outset that they wanted a rapid session of attacking the opposition and then going home. No budget; no ministers have to defend their estimates. In here, change the legislation really fast — a little bit of retroactive legislation, make sure they close a few offices, lots of patronage, and then run home for Christmas.

They do not want question period and debate and estimates because these are the means the opposition — the opposition in the British parliamentary system — must use to expose the political manipulation of the government and grievance before supply.

Mr. Speaker, and so, Mr. Speaker, they changed the rules of the Assembly — and, Mr. Speaker, you'd be aware of this — without even consultation with the official opposition, without even consultation with the members of the Legislative Assembly. They've unilaterally said they're going to change the rules so they don't have to have ministers debate the budget or defend it.

Mr. Speaker, if all they want to do is quickly gain authority for spending, there's a method whereby the government can get what it wants and the constitution can be maintained at the same time.

Mr. Speaker, I'm going to table a proposal to restore constitutional order to the province of Saskatchewan. And I will ask a page to take a copy across to the House Leader on the government side. And the proposal, Mr. Speaker, will be simply this — and I'm going to read the proposal but I'll paraphrase it.

That you can get full co-operation from the opposition, Mr. Speaker, in a very forthright manner. If they want to present a budget, we'll go through the estimates. And we'll do it as quickly as possible so each minister can stand in their place, each minister can defend their departments, their expenditures. And we'll have the opportunity to fully debate it here.

And the proposal is very simple, with full co-operation on this side of the House.

The proposal is: to restore the constitutional order in the province of Saskatchewan, the opposition and the government will agree to have the motion which suspends the constitutional requirements of presenting a budget and submitting estimates withdrawn without a vote. And that would certainly give them every opportunity — without a vote, it's easy.

The Minister of Finance would present a budget which he's already drawn up. Just write on there, "budget." It can be basically the budget document he is trying to present as a financial report. The opposition will agree not to debate the budget speech on condition that the speech itself not be inflammatory or political. Under these conditions, the budget speech could be as little as two minutes and estimates in the government already can be sent to the Committee of Finance.

And it's already there. You've presented the document. We'll accept the document as a budget and we can get into the estimates.

The government must agree to proceed with estimates in committee so that the Assembly has the actual opportunity to question ministers about their proposed departmental spending over the next three months. That is, the government must agree to call estimates on a daily basis so that they may be considered, and not simply seek interim supply and continue to deny the opposition the right to examine departmental spending.

(2115)

With these commitments in place, the opposition would consider requests for interim supply while estimates were under active consideration. The opposition will also be open to discussing a specific time frame for approval of interim supply to provide the government some assurance that legal spending can occur. If this compromise is accepted, Mr. Speaker, the Assembly can move through the budget process with reasonable dispatch and the constitutional order of the province can be restored.

I believe it is reasonable to ask the government to take at least some time to consider the proposal, Mr. Speaker, and I say that in all seriousness to the Deputy Premier and the Minister of Finance. Take some time to consider this proposal so that we can go through your document and question the ministers. And I ask you sincerely not to dismiss this proposal out of hand. So I now move to adjourn debate, Mr. Speaker.

Debate adjourned.

SECOND READINGS

Bill No. 14 — An Act to amend The Mortgage Protection Act

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. I want to take this opportunity to comment on this Act to amend The Mortgage Protection Act and move second reading.

I rise today to move second reading of Bill No. 14, An Act to amend The Mortgage Protection Act. This Bill serves to put in legal terms something that has already been taking place since March 1 of this year. It corrects a situation which the previous administration created by putting in a provision in their budget — which we're trying to deal with in this legislature and this session — which was ruled to be illegal by the courts and which the courts instructed the legislature to deal with before the end of this month.

The previous administration adjusted the mortgage protection plan subsidy rate from seven and three-quarters to thirteen and one-quarter per cent, effective March of this year. A Bill to amend The Mortgage Protection Act was introduced in the Legislative Assembly but died on the order paper when the legislature was prorogued last spring. And this was one of the many examples of mismanagement and irresponsibility displayed by the former administration. Without passing the budget, Mr. Speaker, the former premier prorogued the legislature and put his politics before the interests of the people of Saskatchewan.

Mr. Speaker, the previous administration changed the subsidy rate on March 1 without the necessary legislative amendments being passed. And since March 1, payments to home owners have been made based on the thirteen and one-quarter per cent subsidy rate. This amendment is therefore necessary to establish the legislative authority for a program change made by the previous administration by regulation.

The effects of this legislation are in place and have been for most of the year. The courts have ruled that this legislation is required. With the magnitude of this year's deficit, Mr. Speaker, created by the members opposite, there is no other choice. Current mortgage interest rates are at or below nine per cent with one year closed mortgages available at eight and a half per cent. And this change, therefore, has no effect on Saskatchewan home owners negotiating new or renewed mortgages.

As you know, Mr. Speaker, the province's fiscal situation is very serious. Without this change the government would have to spend approximately \$25 million in the 1991-92 fiscal year. The amount of additional savings in future years depends upon the level of interest in those years. This change, however, will reduce future financial risk for the government, but at the same time provide an important level of protection if mortgage rates were to rise dramatically once again.

Mr. Speaker, it is time with the coming of a new government in Saskatchewan that these kinds of actions which created this situation are put to an end. Government must

be accountable. Government must provide legislative authority for taking certain actions. That was not done with this mortgage protection plan and many other items.

And therefore it is necessary in this session of the legislature to correct many of those wrongs that were put into place when the former government introduced a budget, and then, feeling they could not sustain a vote of confidence in the House, prorogued the House without ever passing the budget; and then delayed an election until the very last moment in October of this year, and left no other choice but for a new government to put into place the former government's budget so that the new government could get on with putting in place the strategy and the plan for the next four years, and putting together a budget for the first budget for the new government, for the 1992-93 fiscal year.

This is part of that process of correction, Mr. Speaker, that we are doing here, and therefore, Mr. Speaker, I am pleased to move second reading of this Bill.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. I would just like to indicate to the minister that we are prepared to let this Bill go to committee as soon as you desire.

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

ADJOURNED DEBATES

SECOND READINGS

Bill No. 7

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

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

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. Swenson: — Mr. Speaker, on this particular Bill we had asked that we be allowed time to prepare amendments that the Legislative Law Clerk was preparing and he has done so, so during the Committee of the Whole we will present those amendments at that time.

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

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. Martens: — Thank you, Mr. Speaker. I want to raise a number of issues that deal with this Bill as it relates to some of the things that affect the people of my constituency, and I want to do that from a number of aspects, and I want to do that as a response to why I think this Bill should not be proceeded with.

I know that, for example, that the people of the province and I myself do not like to have tax increases, and that's a fundamental belief that many people have, and the majority of people. You don't want to increase taxes and therefore disturb the **status quo** of all of the things that are related to that. However, when you're dealing with something as important as this is, I want to explain to the members of the Assembly, especially those rural members who are involved in agriculture, that they are providing their government with an opportunity to take back from the farmers of Saskatchewan a significant amount of money.

Mr. Speaker, I want to point this out for this reason. Harmonizing the tax, the E&H (education and health) tax with the federal government's GST (goods and services tax), put a very significant drain on individual members of this Assembly. And I think that it's time to consider it. They have, I think, probably been duped by the fact that they are not aware of all of the implications of the rebates on the GST.

Mr. Speaker, my brother and my brother-in-law and I have operated a mixed farming operation. If it's divided by three, Mr. Speaker, it is no bigger than anybody else's in this Assembly. However, in dealing with that on a goods and services tax basis, we have in the first two quarters of its implementation, Mr. Speaker, had \$7,400 come back to us on goods and services tax that we paid. And, Mr. Speaker, the federal sales tax which was reduced on most of those commodities from thirteen and a half per cent down to seven, is exactly what frees the business community and the farming community to have that rebate come back.

Now on individual items, for example, Mr. Speaker, if I go buy a battery for my car or for my truck . . . There's a significant difference between whether it's for the car and for the truck. On a rebate, I wouldn't get a rebate on the battery for my car, but for my truck, I would; for my tractor, I would. And for the individual in the province of Saskatchewan, he very likely pays a goods and services tax on that battery. He pays an E&H tax, Mr. Speaker. He pays an E&H tax on that same battery and he has for a long, long time. And, Mr. Speaker, under the proposal of harmonization where you blend the two taxes together, the farmers of Saskatchewan would in fact get that tax back.

So what you have really done is taken and jeopardized the opportunity in your local community of having that farmer get a benefit of having that rebate on that provincial sales tax. You've done that, typically done that, Mr. Speaker. For every farm in the province of Saskatchewan, he is going to pay sales tax now, which he

has traditionally done, but next year he would be getting it back if you harmonized it. And if you blend that tax together he'll get that tax back. But you won't do that. With this Bill you're destroying that opportunity.

Mr. Speaker, when the farmer goes to buy tires for his tractor or for his three-ton truck or for his pick-up, he has to pay an E&H sales tax on that commodity, right now. And any business man, for that matter, too. If he has a delivery truck and he's buying tires for that, he's got to pay E&H tax. Why not give him the opportunity to have that money to influence his opportunity to buy in that community?

(2130)

Mr. Speaker, the goods and services tax is estimated it would give \$10,000 return to this farmer's income on goods and services tax in one year. Now, you match that typically with your E&H tax because you harmonize. You would get that back.

Mr. Speaker, we haven't . . . we've paid that for years. We've paid that \$10,000 for years. And, Mr. Speaker, \$20,000 of discretionary income in this farmer's pocket is very significant. And I don't think the back-benchers and the members of this Assembly who are in agriculture have considered that. They haven't considered that \$20,000 that I can spend as a discretionary item in my community.

Now I'll tell you what happens. You're going to take that 7 per cent and you're going to spend it where you want it spent. Why not leave it with the people in rural Saskatchewan to spend it where they want to spend it, at the grocery store, at the restaurant. You're right on; they'd be able to spend it at the restaurant.

And, Mr. Speaker, the 7 per cent sales tax on those goods that we put on, you would be able to spend \$2,700 with that \$200-a-child tax credit in that community. Mr. Speaker, that's why it's important for rural Saskatchewan. That's why it's important for business. Mr. Speaker . . .

The Speaker: — Order. This is about the fourth time, I think, that the member from Humboldt has interrupted the member from Morse and I ask him to please cease and desist or else I will accommodate him under rule 28.

Mr. Martens: — Thank you, Mr. Speaker. I just want to point out one of the things that you really have missed when you introduced this Bill. You have missed the opportunity of providing discretionary income to those people to use who are establishing jobs.

Mr. Speaker, \$10,000 E&H return to the farming community on my farm would have allowed me, for example, to put a new motor in my tractor that the piston went through the other day. It would. And now what I have to do, Mr. Speaker, is give the provincial government that tax. And what do I get for it? Nothing. I don't get anything returned.

When I can spend it in a discretionary way in my community, I get the benefit of it and so does the community. Mr. Speaker, who gets the job when they repair my tractor? The labourer in that community gets

the job, to get the job done and to establish that. They've taken it away on us. And, Mr. Speaker, that's an important part.

I want to point out, Mr. Speaker, for the Minister of Agriculture, we can put in a whole lot of programs that are good for the livestock industry, and we have through the years.

And, Mr. Speaker, if I went to build a loafing barn on my farm, I would have to pay E&H tax on all of the lumber in that building. Under harmonization I would get it all back. All of the E&H tax, I would get back. I've paid that for the last 20 years, and I would get it all back. Mr. Speaker, for my farm that's a significant amount. And that is the same availability for every producer of agriculture products in this province.

And, Mr. Speaker, on top of that, the small business would get the benefit. For me to be able to buy an extra \$5,000 worth of goods in my community would positively impact that community. My neighbours spread that all . . .

The Speaker: — Order. If the member from Quill Lakes and the Leader of the Opposition want to get into this debate, there'll be ample opportunity, I'm sure, after the member from Morse is finished. I ask them, please do not continue with the debate.

Mr. Martens: — Thank you, Mr. Speaker. There are a whole lot of items that are just exactly like that, Mr. Speaker. You have building materials. For years we had building materials taxed — federal sales tax, 12 per cent. And then what the E&H did, it came along and said, I'm going to take the commodity and the tax, and then multiply that times 7 or times 5, whatever the tax was. And, Mr. Speaker, that was exactly where the dynamics of harmonization, blending this tax together with the federal GST, would make a positive impact in making money available to the rural community to use at their discretion.

Mr. Speaker, the fact is this, that if the federal government would give this constituent of the federal tax dollars an opportunity to select the E&H rebate for all of the goods and services provided for the business and my farm, I would take that to having the payment made of 800 million, because it's more in my pocket paying that E&H tax back than what I'm going to get from the federal government. And that, Mr. Speaker, is a fact. That's a fact for every one of your rural constituents, and it's a fact for every one of your businesses, too. And, Mr. Speaker, that's important, because it gives me the control and the discretion. And that's the reason why I fundamentally believe it.

Mr. Speaker, I want to raise a point here about the construction of a business in the city of Swift Current. That business went into making springs and had a project developed for about \$3 million. And that company, and I won't name it here, but you can go and ask them. They got a grant from the provincial government when they built that. And do you know what that was equivalent to? The E&H tax on the building, the E&H tax on the equipment in the building, and the E&H tax on the commodities that went into that building.

I'll tell you something else, Mr. Speaker. They got a grant from the federal government. And do you know what that grant was equivalent to? That was a grant equivalent to the federal sales tax. And were they happy about that? Yes, sir, they were. They were grateful to receive that from the federal and provincial government.

As a matter of fact, it was that provincial government that did that. They gave a rebate. When they were in government prior to '82 they gave that rebate. And, Mr. Speaker, it is equivalent to almost a half a million dollars. That is the context of what they did to get a business going.

Now why wouldn't you do that with small business in Swift Current, in Humboldt, in Rosthern, in Saskatoon, and in Regina? Why wouldn't you do that? Why wouldn't you give that an opportunity to have that happen?

And that, Mr. Speaker, is the reason why I believe that blending these taxes together has a significant importance in the province of Saskatchewan. It will provide added jobs. Because, Mr. Speaker, I have the capacity to use that as discretionary items, money to spend in my community. There's no question about it.

For every dollar I get from GST, if you men and women across the way would figure it out, you would get exactly the same thing in your E&H back. And, Mr. Speaker, every one of them would qualify. The member from Shaunavon, the member from Rosetown-Elrose, they would qualify. And if they haven't figured out how much GST they're getting, they should do that because they would have been able to get the equivalent in the E&H tax. And that, Mr. Speaker, is important for this Assembly to consider.

Now, Mr. Speaker, I'm going to talk a little bit more about an industry in my constituency that has suffered more because of taxes than anything else, and that's the oil industry. The oil industry in my constituency is made up of small producing wells. And they don't produce the 250 to 300 barrels a day. They produce 5, 8, 10, 12; these are the kinds that they produce.

Now, Pat Smith, when she was minister of Energy, had a significant representation to her about the fact that Alberta people living in Medicine Hat, all the way along that western boundary, would always have access into the community and would be able to bid more competitively than we were able to. And I had that told to me for nine years.

This is the first time that they would have been able to bid competitively because their tax would have been exactly the same as Alberta's — exactly the same. And now they're having it taken away. So you're going to have to set up policemen over on the other side in order to control exactly what this would have delivered to you, an increased opportunity for the benefit of the people of Saskatchewan.

Mr. Speaker, I had rigs in Swift Current that were outbid in the sand hills for natural gas. I had oil fuel servicing companies outbid by people in Medicine Hat because of

the E&H tax. They didn't have to put up 7 per cent sales tax on a hundred-thousand-dollar piece of equipment. But the people in Swift Current had to.

And why would they be able to bid competitively? Because they would get that all back. Mr. Speaker, they would get it all back. And then they would be at zero tax on that equipment, just like the people in Alberta. And, Mr. Speaker, that's why this tax is important for the people in my constituency, if it would have been rebated to them on a blended, harmonized, synchronized, — whatever you want to call it — basis. That, Mr. Speaker, is what the value of this is to the people of my constituency.

I have about 3,000 farmers in my seat. And if each one has a thousand acres, they probably would have netted 2,500 at least, rebate per farming unit. And, Mr. Speaker, if they would have received that, that is larger than any other single grant given to my constituency. And that, Mr. Speaker, is significant.

And where would they be able to spend it, Mr. Speaker? They would be able to spend it where they wanted to. They could spend it in going to the rink. They could spend it in going to buy the hamburger. They could spend it in going to the Met store or Zellers. They could spend it in the barbershop. They could spend it in necessities. But now it's gone. It's gone into the government's hands, and there it's going to be used.

And, Mr. Speaker, it was a way to relieve them of some of the problems that they had in the farming community. And that, Mr. Speaker, is very very significant.

Mr. Speaker, we met with some of the agriculture manufacturing industry prior to the election. And I want to just point out to you, Mr. Speaker, about the fact that IPSCO, for example, would be able to be just a little bit more competitive in the material that they bring in because they could be rebated for the cost of bringing that material in, on the basis of being able to go a little further to get that material and also be able to deliver to a community that would bid on it a little further away than they are today.

And that, to IPSCO, was a significant advantage. I didn't tell them that. They told us that.

And the Leader of the Opposition and I were there, and they told us that. I'm not going to discount that — because they told us that. Leon was there. Leon said that for every one of their tax benefits they would be able to . . . for one whole year — their benefit was \$50,000. And, Mr. Speaker, that isn't a benefit necessarily to the larger community, but to that business it was.

And, Mr. Speaker, it was significant enough because that's on the profit side. It didn't reduce their expenses to the place where they could have that cost saving going to something that was going to cost them anyway. This was on the profit side. It dealt with a profit capacity of that company. And, Mr. Speaker, that meant perhaps they could put one more man on the road, maybe two more men on the road, selling equipment all across this province, or in Manitoba or in Alberta. And, Mr. Speaker, that's important. That's important to the job relationship

of the people in those areas.

Mr. Speaker, I want to make a point. As I was listening to some of the discussion earlier on about the various opinions of people, and I was struck by the discussion of the member from Lloydminster. In that discussion the individual — the member from Lloydminster — said that this tax was a negative tax to her constituency. Mr. Speaker, the city of Lloydminster, Saskatchewan side, has not paid tax, E&H tax. And if she would be able to visualize that for the whole province, on E&H tax, wouldn't that be significant advantage to the people of Saskatchewan?

(2145)

Mr. Speaker, on the business and the functions of business, out of that town, they could be an example of what you could do when businesses are exempt from paying E&H, when gas is the same price as Alberta's. And I was through there this summer; it is the same price. And that, Mr. Speaker, is significant.

It's important, Mr. Speaker, for building and growing in this country, if we want to take and make a significant impact. And I believe that it's necessary to do that.

Mr. Speaker, it's important in my constituency for agriculture; it's important for the growth in agriculture; it's important in my constituency for the oil industry — very significant. And it's important for the growth and development of the agriculture processing and manufacturing industry in this province.

Mr. Speaker, we have stood quietly by for the last 40 years waiting for Alberta to develop a processing and manufacturing industry, and they have. Let's take one example in the alfalfa cubing industry. Alberta's developed an industry. What have the people in this province done?

Mr. Speaker, we have encouraged the development of a few plants in the north and the north-east. And, Mr. Speaker, we need a whole lot more of that kind of processing and manufacturing. And if they were to get a grant of the 7 per cent sales tax back in the cost of that construction, wouldn't that be significant. Wouldn't that be a significant grant to that processing plant.

Mr. Speaker, I think it's important for the people of this Assembly to understand that. And the people of the Yorkton area, from the people of the Nipawin area, and all of the people in that area where there is a large opportunity for growing alfalfa and marketing it, those people would have a significant benefit if they could get that 7 per cent sales tax back on that. One million dollars, Mr. Speaker, is a lot of sales tax. And that, Mr. Speaker, would be a significant grant to that community development bond, or to that community.

Feature, for example, if the industry were to become involved in, as some was discussed, the tractor building thing that the people of Canora wanted to build. They were interested in going to Europe and finding this tractor to build. If they were going to put a plant together and they would get 7 per cent sales tax back, wouldn't that be

significant advantage to that community, and reduce the cost to make it more competitive?

Mr. Speaker, that's why, Mr. Speaker, in 1975 about, Sask Wheat Pool moved to Alberta to build a natural gas fertilizer plant. Why do you think they set one up in Medicine Hat and Calgary? Because they wanted to get rid of tax — because they wanted to get rid of tax, Mr. Speaker.

And now if we would have had the Co-op upgrader have an opportunity to have harmonization and put that 7 per cent rebate on \$500 million, wouldn't that have been significant in providing an opportunity for this province for Federated Co-op? And that, Mr. Speaker, is the reason why it would have been good to blend these taxes together.

Now you may disagree about whether GST should be 7, or 3, or 8. You might disagree with the E&H being at 7, 5, or 4. But the principle is there and, Mr. Speaker, I can clearly recall the member who used to have the seat for Regina Centre, Churchill Downs. He said in this Assembly more than once, he said what you need to do is harmonize the tax; give the break to the consumer. Give the break to the consumer.

In fact he was sitting right there when he said it, or standing right there when he said it. And, Mr. Speaker, he was right then and if he would have the courage he would tell the rest of his caucus the same thing. That, Mr. Speaker, is a rational way of thinking about it. And he was standing right there when he said it, and he said it more than once. He even said it outside the House in various places. He said co-operate with the tax.

Mr. Speaker, not only that, the administration costs would be reduced by \$5 million — \$5 million, Mr. Speaker — and that would be on a regular annual basis. Mr. Speaker, if I took and calculated the benefit of the blending of the two taxes together, let the federal government collect it, let us audit it, that 5 million would have gone a long way to providing aid for people in the city of Regina who are at the food banks. It would have given a lot of advantage for the farming community. It would have paid the interest on the difference between what the federal government is going to give today and what they're going to give in spring. And that, Mr. Speaker, is significant to the people of the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, time after time we have been told about waste and mismanagement. And, Mr. Speaker, that is waste and mismanagement. If you have a good idea and don't put it to use that's a waste, Mr. Speaker. And that 5 million is a waste in the province of Saskatchewan. It's a waste no matter which way you slice it.

And, Mr. Speaker, if we could take that and add it to the financial report that we got here today as a benefit to the people of Saskatchewan, ACS would dearly love to have that \$5 million to enhance the opportunity for lending in the province of Saskatchewan. And the Minister of Agriculture should stand there and defend it because it

not only helps him it would give him an opportunity to collect on some of the arrears in ACS besides. And that, Mr. Speaker, would be significant.

In fact, Mr. Speaker, if I would get the \$2,500 a farmer back, it would annually make my ACS payment for the next four years. And that's a fact. And he sits there and laughs about it. That, Mr. Speaker, is not the way that the Minister of Agriculture should respond. And that is why I think you're in error in doing it the way you're doing it.

You might say, well the expanded E&H is right or wrong. That we can debate a long time. But the fundamental of putting it together, as your former Finance critic said, is as fundamental then as it is today. And, Mr. Speaker, it makes all kinds of sense for my farmers, for my ranchers, for my oil industry people, for my small business in my small communities, it makes a significant difference.

And that, Mr. Speaker, is why I believe, Mr. Speaker . . . (inaudible interjection) . . . And the member over here said I lost the election. Well I didn't lose the election, Mr. Speaker, I won. And that's why I'm here. I went around and I went on that basis. As a matter of fact, Mr. Speaker, the NDP had less votes in this election, in my seat, than they did the last time. And that, Mr. Speaker, is . . .

Some Hon. Members: Hear, hear!

Mr. Martens: — And that, Mr. Speaker, is the reason I went around and I told them the truth about it and they believed me. And that's the truth — as your member from Churchill Downs said it here prior to the election, and as I'm saying to you here today.

Mr. Speaker, there is just a whole lot about this that I think could benefit the people of my constituency. And, Mr. Speaker, you can pass it off, they can jest about it, they can think it's insignificant. But, Mr. Speaker, \$200 million-plus to the business community in this province would have made a significant difference. As a matter of fact, it could have built a few. And that's why I think it's wrong for you not to harmonize.

Now let's talk a little bit about what comes across the border from the U.S., which is exactly the same as what comes in from Alberta. How many homes in the town of Maple Creek have their furniture in their houses purchased out of Medicine Hat? A significant amount of them, Mr. Speaker. And why do they go there? Why do they go there? They go there because there is no tax on it. And, Mr. Speaker, that's the reason. As a matter of fact, they go there to buy lumber. They go there to buy all those kinds of things. Why, Mr. Speaker? Because it's E&H tax free.

Now, Mr. Speaker, why wouldn't those lumber stores or lumber yards and the hardware stores in Maple Creek be able to survive? It's because they go to Alberta to buy it. Wouldn't you?

Mr. Speaker, the rebate would keep them here. Mr. Speaker, the people . . . I just want to point out, Mr. Speaker, the Minister of Finance doesn't even understand it, and that's why it's a serious problem. And that's maybe why we have a financial report today instead of a budget

like he should have brought forward.

Mr. Speaker, the people in my constituency, the people throughout the province would have benefitted. And, Mr. Speaker, the people on the west side understand what a level playing-field is between Alberta and Saskatchewan.

And, Mr. Speaker, that is why I think that not harmonizing is one of the most foolish things that this government could ever do. It jeopardizes the opportunities in my constituency and the Maple Creek and Wilkie of businesses being able to establish.

And that's why it's wrong. It's fundamentally wrong, Mr. Speaker. On those things that we could increase the jobs, give more benefit to the people in my constituency, the small business in my constituency in order to be competitive.

We have talked a lot of times, Mr. Speaker, about the benefits that agriculture has received by being tax free. That's a myth. Because in fact we do pay a lot of taxes.

We pay taxes of goods coming in from the U.S. that is equipment that is attached to our tractors or trucks, our farm machinery — we pay tax on that. We always have. But now it would be rebated.

And the member from Shaunavon should really realize that. The people moving the equipment from Havre into Shaunavon constituency — is there a reason why his Ford dealership quits? Is there a reason why John Deere is the only implement dealership that he has left in his constituency? Is there a reason? And, Mr. Speaker, it's this: if the farmers were getting their E&H back in the town of Shaunavon, which is right adjacent to my constituency, they would be able to benefit.

Now just look at the oil patch in his area, if they were able to do that. But I'll bet you, Mr. Speaker, the oil patch didn't support him. It didn't support his stand in the election process. Mr. Speaker, that's the fundamental reason why I am not in favour of this Act nor will I be, because it seriously jeopardizes the farming community and further jeopardizes the farming community in my constituency.

It jeopardizes the oil industry. It jeopardizes the small business. The co-ops — why were the co-ops, Mr. Speaker, in favour of this? Why was the chamber of commerce in favour of this? Why were the boards of trade in my small communities in favour of this? Why, Mr. Speaker? Because the delivery trucks, the fridges, the stoves, and all of those things, they were going to get the 7 per cent sales tax back.

Mr. Speaker, small business, the mechanics, have complained for years about not having their tools being able to be tax deductible.

Mr. Speaker, this is the first time they would have been able to get a sales tax rebate on anything that they purchased to repair your tractors and mine. And that, Mr. Speaker, is why I'm not in favour of this proposal that you have in this Bill. It flies in the face of benefitting rural Saskatchewan. It flies in the face of doing it in my

constituency and every one of yours. And, Mr. Speaker, that is a fact. That's a fact that you have not considered.

I'll tell you why. Because you didn't want to tell the people. You said . . . as a matter of fact I've got a number of appliance people in my constituency and they do a significant business in my constituency. And they had people come in and said on the 22nd we're going to buy these commodities tax free — no tax. We're going to wait until the 22nd and we'll go in and buy that fridge and that stove tax free. And he said no you're not; no you're not. You're going to pay tax because that is what is fundamentally wrong . . .

The Speaker: — Order. It now being 10 o'clock this House stands adjourned until tomorrow at 2 p.m.

The Assembly adjourned at 10:01 p.m.