

July 3, 1992

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### STATEMENTS BY MEMBERS

**Mr. Trew:** — I thank you, Mr. Speaker. Today I'm pleased to report more STC (Saskatchewan Transportation Company) good news, as the Crown corporation continues to brighten our Saskatchewan future.

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

**Mr. Trew:** — The Retail, Wholesale Department Store Union organized the Regina cafeteria staff at the Regina depot. After the sign-up the first collective agreement was not reached. In fact, a work stoppage lasting nearly six months ensued.

Immediately after the post-election changes, with the active participation of the Retail, Wholesale Department Store Union, the cafeteria reopened under new management and with a collective agreement. The union is very actively involved in the Regina and the Saskatoon depot. Both cafeterias are providing food service to the travelling public, and both cafeterias are profitable.

It is wonderful, Mr. Speaker, that after six months without a regular pay cheque, workers at the STC cafeterias have a good working relationship with a Crown corporation that is committed to fairness and to service.

It is my pleasure to report this further good news as STC continues to turn the ship around.

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

**Mr. Martens:** — Mr. Speaker, I rise today in regard to 25 Saskatchewan reservists who are in Victoria today training for eventual duties overseas in Yugoslavia. I have a couple of neighbours who are from Yugoslavia and came to Canada in their lifetime, and they have very, very serious concerns about the incidents that are occurring in their homeland. And they are concerned about it from a number of reasons. And one of them is that their families are fighting against families and it's a very serious concern of theirs.

And Canadians are known internationally as world peacekeepers and Saskatchewan sons and daughters have figured prominently in that reputation. It is my sincere hope that our presence there will help to restore peace and bring much-needed aid to thousands of innocent civilians caught in this tragic conflict.

Mr. Speaker, I believe all members of this Assembly, indeed all good citizens of our province, should join with me in wishing these brave and patriotic Saskatchewan Canadians Godspeed and safe return home.

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

**Mr. Kluz:** — Thank you, Mr. Speaker. Recently members of the Legislative Assembly paid tribute to honour citizens

who were recipients of the Order of Canada, the Saskatchewan Order of Merit, and the Medal of Bravery. The tribute ceremony was conducted in the ballroom at Government House and was followed by a tea and tour.

Mr. Terry Bzdel and Mr. Andy Bucko of Mozart were recipients of the Medal of Bravery. Andy and Terry saved two children who were trapped inside a burning house trailer in Mozart on April 12, 1991. Unable to enter the trailer through the front door due to dense smoke, the two men raced to the side door and quickly removed it from its hinges. Hearing screams from within, Mr. Bzdel broke a back window but was unable to enter. He returned to the side door, crawled into the trailer, located one of the victims lodged in the doorway and pulled her out. Then Mr. Bucko entered the burning trailer, crawled to the rear bedroom, found the second victim unconscious on the floor, and dragged her out. Seconds later the trailer was engulfed in flames.

When news of the act of bravery was first heard it touched everyone's heart, and I can certainly say the same was felt by all at Government House. It was definitely an honour to pay tribute to Terry and Andy as recipients of the Medal of Bravery, an honour they certainly deserve.

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

**Mr. Cline:** — Mr. Speaker, I rise today to congratulate Display Systems International, the Saskatoon regional community bond corporation, and the people of Martensville who have formed a partnership to build their community. A partnership that was kicked off last night with the announcement of a community bond offering that will raise \$700,000. That money will be raised locally and invested in a local company, Display Systems International, a small Martensville business that produces low cost, high-performance systems to generate video characters that display information on news, weather, local events, and promotional advertising.

Although it is a small company in a small community, it has cracked world markets for its products. Its client list includes Louisiana Power & Light Company in New Orleans; the Drug Emporium drug stores in Virginia Beach; Hartsfield International Airport in Atlanta; and hundreds of cable companies across the U.S. (United States) and Canada.

Mr. Speaker, with the drive and determination of community leaders like Mayor Friesen and business leaders like DSI (Display Systems International) president Dale Lemke, I have no doubt that the people of Martensville will meet the goal of this community bond. And I'm sure all members wish to join with me in congratulating the people of this hard-working community and extend our best wishes for a sold-out bond offering.

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

**Ms. Murray:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me much pleasure to tell you and the members of the Assembly today about a very special event taking place in Fort Qu'Appelle this July. A community play, the

Calling Lakes Community Play, *Pa Co Pi Ci Walk, The Gathering*. This is a first in Saskatchewan. No other community in the province has put on such a play before.

To mount such a play requires great dedication and the diverse skills of many, many people. Thus talented writers, costume designers, set decorators, actors, managers, technicians and other workers have co-operated to produce a history of Fort Qu'Appelle and the surrounding area that will delight all who see it.

The entire community is involved: young and old, large and small, aboriginal and white. Workshops have been held since September in all areas of production, and professionals from all over Canada have been involved.

While this project will boost tourism in the valley and thus bring many welcome holiday dollars to the businesses there, much more important it is a testament to the community spirit of the Fort. While the play describes past co-operative achievements in the valley, the play is a marvellous demonstration in itself of those values that have made Saskatchewan a great place to live, that have been embodied so often in the communities across this province, and make Saskatchewan people with their warmth and friendliness so very special.

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

**Mr. Devine:** — Thank you, Mr. Speaker. I want to ask the members of the Legislative Assembly here in the province of Saskatchewan to join us, to join me and other members in extending our very best wishes under very difficult circumstances to the cod fishermen of Newfoundland. We heard yesterday that up to 20,000 people will be not only out of work but potentially and possibly even out of a whole way of life.

And for people in Saskatchewan who deal with resources and deal with farming and the land, it's very similar to those who make their living on the sea. And to find out that the fish don't swim or in fact this so-called renewable resource is not there, can be devastating to families in communities all across Newfoundland, as a drought is to the people of Saskatchewan. And for those of you in the House and those across the province who have combined with a cultivator and realize the devastation to families, I believe that the people of Saskatchewan understand and have some empathy for those in Newfoundland and what they're going through.

So I would just like the people of Newfoundland to know that those families in Saskatchewan that deal with the land and deal with resources and deal with Mother Nature, reach out to them and provide them as much moral and spiritual encouragement as we can, and wish them the best and Godspeed in the months and years ahead.

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

**Mr. Whitmore:** — Thank you, Mr. Speaker. Mr. Speaker, on the past weekend the community of Harris celebrated the first annual Ruby Rush Days. The Yukon had its gold rush, and in 1914 for two weeks the community of Harris had a ruby rush. An eight-tonne stone was located

north-west of Harris and was discovered and thought to contain rubies. The rush was on and for two weeks 3,000 people converged on the community.

Enterprising business men set up food and beverage tents and provided transportation — \$3 for the trip out to the rock and \$5 return trip, depending on your size.

The rubies proved not to be, but the community of Harris decided to commemorate the local history. The stone was moved into Harris, next to the local museum, and the community celebrated the events with a series of plays depicting the events of history and other activities pertaining to the era.

The Ruby Rush Days attracted many visitors which will continue to be an annual event, and the hard work of the community made it a great success. And I wanted to bring it to the attention of the House some of our local history that exists in Saskatchewan. So again thank you very much, Mr. Speaker.

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

## ORAL QUESTIONS

### Changes to GRIP

**Mr. Boyd:** — Thank you, Mr. Speaker. My question, Mr. Speaker, is for the minister responsible for Crop Insurance. Mr. Minister, for weeks now the Conservative opposition has been arguing that the government should not proceed with retroactive GRIP (gross revenue insurance program) legislation. And, Mr. Speaker, over 80 per cent of the public believes the government has acted improperly and that farmers should have their day in court. Even the government's lawyers and House Leader have said legislation is not really needed.

Mr. Minister, why then is your government poised to introduce this legislation, unchanged, in the face of this overwhelming public, legal, moral, and ethical opposition? Does your government have so little regard for people's democratic rights that they're ready to trample over them at any chance?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, I find it rather strange that the opposition is condemning a Bill that they have not yet seen. I think if they have problems with the Bill they should let it be introduced to the House and debate the Bill in the normal fashion as is usually done. And they can point out to the public and to us and to others what they think is wrong with the Bill. But I think they should let us introduce a Bill in the House and we will debate it at that time.

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

**Mr. Boyd:** — Mr. Speaker, that minister knows very well why we don't want that Bill introduced in this House, because it will tamper with the evidence before the court case. That's why we're opposed to this Bill being introduced into this House, sir. That's why the people and the farmers of this province are opposed to you and your

government's actions in the court . . . in this action today.

If the statements are true that this information, this legislation, isn't necessary in the court, why then do you want to continue to press this legislation forward?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, this legislation is necessary to introduce the changes to the GRIP, and for us to be able to enter into the federal-provincial agreement. And therefore it's necessary to introduce this legislation.

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

**Mr. Boyd:** — Mr. Minister, we have asked and asked and asked time again to have a look at that legislation — to be able to see it before you introduce it into the House — so that we can see and all the farmers of Saskatchewan can see whether or not that's indeed what you're trying to do, is tamper with the evidence before the court. We would ask you again, sir, will you show the farmers and the opposition in this province the legislation, so we can see whether or not you're trying to tamper with this evidence?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, we were prepared to table the legislation in the House, so that everybody in the public, including the opposition, could see the Bill. The opposition walked out and rang the bells. We cannot introduce the Bill if you won't let us introduce it. We are ready any time to introduce that Bill to the House, and you can see it and the farmers can see it as well.

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

**Mr. Boyd:** — Well, Mr. Minister, you haven't been concerned about showing other legislation to people, with respect to things like the environmental legislation. That hasn't been a concern to you to show it around the province. You're afraid of the farmers. That's what's wrong with you, Mr. Minister. You're afraid the farmers will find out that's exactly what you're trying to do.

Your government has been stumbling through agriculture like a bull in a china shop. Every time you turn around, you destroy another piece of this agricultural industry.

Mr. Speaker, another question for the minister of Crop Insurance. On June 24 a judge gave your government leave to appeal the injunction that farmers were granted to extend the opting-out time deadline date for GRIP. Your government chose to interpret this decision as an overwhelming rule, overwhelming rule of injunction that would quash the rights of the farmers.

Mr. Minister, do you intend to slam the door on farmers in this province and not allow them an option to opt out of this program?

**Hon. Mr. Cunningham:** — Mr. Speaker, I think if the member opposite would listen, we've said that we are prepared even at this late date to extend an option to opt out. We're not trying to force any farmers into anything.

We need to have the Bill in the House to do that. Let us bring the Bill in and we will see whether there's an opting-out clause in it or not.

If we can get that Bill in here before the crop is in the bin, we have at least a possibility of extending the opt-out.

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

**Mr. Boyd:** — Mr. Speaker, that is indeed not true, and the minister knows that not to be true. On June 29 he instructed his vice-president of Saskatchewan Crop Insurance to send a letter out to the marketing agents throughout this province — and I have a copy of it right here, Mr. Minister — that you indeed said to the Crop Insurance agents that the farmers' deadline date was June 25, not in any kind of an extension like you're talking about now.

How do you reconcile that, sir?

**Hon. Mr. Cunningham:** — Mr. Speaker, the deadline for opting out of GRIP was May 15, which was the deadline. The court date, they extended that indefinitely and the injunction has overruled that. And that is where we're at with it right now. And if you want to have the date extended, just bring the Bill back into the legislature and we will proceed.

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

**Mr. Boyd:** — Well, Mr. Speaker, what we have here now is the minister suggesting that the deadline date is open-ended. That isn't the case, Mr. Minister. Your vice-president of Saskatchewan Crop Insurance said:

A decision handed down on June 25, 1992 by the Court of Appeal has granted the corporation leave to appeal a declaration regarding the buyout provision of GRIP. This means that pending the final outcome of this appeal the order indefinitely extending the deadline is no longer in effect. As a result, Saskatchewan Crop Insurance . . . advises that . . .

**The Speaker:** — Order, order. The member knows that he should not read at any length from a statement in question period. I would ask him to ask his question. Ask his question.

**Mr. Boyd:** — Mr. Speaker, I would beg your indulgence for the last sentence.

**The Speaker:** — I ask the member to ask his question.

**Mr. Boyd:** — Mr. Speaker, Mr. Minister, would you extend the deadline date for opting out until the court case is heard?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, the original opt-out date was March 31. We extended that to April 30. We extended it again to May 15. After that the court ruled that the deadline was open-ended. The injunction has changed that and therefore we are back . . . we honour

anybody who opted out during that time between May 15 and the court ruling came down.

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

**Hon. Mr. Cunningham:** — And we are prepared to look at possibly even extending an opt-out longer if we can get the Bill back into the House.

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

**Mr. Boyd:** — Why then, Mr. Minister, did you instruct the Crop Insurance vice-president, Mr. Henry Schappert, to send a letter to marketing agents saying that the 24th was the deadline date? Why did you do that, sir?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, that was what the effect of the court ruling was and we just complied with what the court ruling said. The opt-out was extended by the court and was taken away by the court.

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

**Mr. Boyd:** — Mr. Minister, the letter that you sent out, it goes on to say that Saskatchewan Crop Insurance advises June 24 was the final date for exercising the buy-out option. Why then, sir, are you standing in the legislature here today and saying that the extension is open-ended, when your letter to marketing agents says that the deadline date is June 24?

**Hon. Mr. Cunningham:** — Mr. Speaker, not listening to . . . the opposition is not listening to the answer. June 24 was the court date which struck down the injunction and that ended the opt-out. And if there is to be an additional opt-out, we can look at that through the legislation and the changes that are in the Bill. And get the Bill into the House and let's look at an opt-out.

**Mr. Boyd:** — Mr. Minister, not only is it an appalling-type letter to be sending out to them, it was dated June 29. That was when it was sent out, Mr. Minister — June 29 it was sent out for June 24 deadline date. Another example, Mr. Speaker, of retroactive legislation by these people.

Will you give your commitment today, sir, to the farmers of Saskatchewan, that the deadline date for opting out of crop . . . out of the . . .

**The Speaker:** — Order. I remind the member from Turtleford not to interrupt during question period.

**Hon. Mr. Cunningham:** — Mr. Speaker, we are doing what the court has ruled. We are certainly not going to disobey the court. When the court said the deadline is extended, we had no choice but to obey the court order. This is strictly a court decision and not us passing retroactive legislation, retroactive rules, or anything else. It was the court ruled that the opt-out date was extended and it was the court that ended that ruling.

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

**Mr. Boyd:** — Mr. Minister, the farmers of Saskatchewan

want to know. Is your letter that you sent under Mr. Schappert, the vice-president, is that the deadline date, June 24, or is it open-ended? Simple question. Do the farmers have the option to opt out until the court case is heard or don't they?

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

**Hon. Mr. Cunningham:** — The opt-out that was extended by the court has been discontinued. If there's any further opt-out, it will have to come through the legislation. I don't know how much more clearly I can say that.

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

**Mr. Boyd:** — Mr. Speaker, Mr. Minister, the media reports on your arrogance are greatly underestimated. You didn't consult with farmers when you designed your changes to GRIP, you didn't talk to them when you implemented them, you failed to live up to the legal requirements to inform them of the March 15 deadline. Then you try to hide your bungling with retroactive legislation.

Now based on your interpretation of the judge's ruling, you're retroactively forcing farmers to stay in a program they don't want to be in, Mr. Minister. Mr. Minister, if you did nothing for agriculture, it would be a step forward. That's what it would be.

**The Speaker:** — Do you have a question? Does the member have a question?

**Mr. Boyd:** — Mr. Minister, would you at least keep your word and extend the deadline date till the court is heard?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, let's get on with the legislation and we can make the changes. The deadline which was extended by the court was a court order and was extended by the court. We extended the deadline from March 31 to April 30 and then again to May 15.

And we had a very difficult time with a program that was a mess when we started, which is a contract which is made up of an application form made up of programs, made up of news releases. And that's the way the program was administered last year. And we are left with that mess to try to work with that program which was very much not a clear-cut contract, not a clear-cut program, which was one terrible mess. And that was what we started with and that's what we had to work with. And if we missed a deadline we also extended the opt-out for six weeks. And we did everything we could to be fair to the farmers and worked with the mess we had. I think we've done a reasonably good job.

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

**Mr. Boyd:** — Mr. Minister, you say the only reason why you're holding things up is because the Bill isn't introduced. And yet, Mr. Minister, you've extended the deadline date on two other occasions that didn't have any effect on anything as far as the legislation is concerned. You weren't concerned about extending the deadline

from March 15 to May. What was the problem then?

Mr. Minister, the farmers of Saskatchewan want to know, are you going to stand by the June 24 deadline like you sent out to marketing agents, or are you going to extend the deadline date indefinitely until the court case is heard? That's all the farmers want to know.

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

**Hon. Mr. Cunningham:** — Mr. Speaker, there is a limit to how long you can extend deadlines on an insurance program. The court case, and all the legal advice and opinion that I have, is this court case will take weeks, probably months, and maybe years to be settled. And if it's the opposition's wish that we should extend the deadline until the court case is finally settled and provide options for insurance after the crop is in the bin, I think that that's a very impractical solution.

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

#### Information on Government Hirings

**Mr. Muirhead:** — Thank you, Mr. Speaker. My question this morning was to the Premier, but the Premier is in Ottawa. And I would direct my questions to the . . . I will direct my question to the Deputy Premier this morning, Mr. Speaker.

On Tuesday, June 30, Mr. Speaker, ministers repeatedly refused to provide this side of the House with information that should be made public. The ministers are standing in your way of your election promise to be a honest and open government, Mr. Minister. Will you today, Mr. Minister, will you today answer the question that we've been asking for months? We've been asking this for months and months, and you haven't been answering us. Will you provide us with a list of individuals who have been hired by the NDP government since November 1, 1991?

**Hon. Mr. Tchorzewski:** — Mr. Speaker, this is an open government. I find it strange that the member from Arm River would even suggest otherwise, considering the record of the former administration.

And I want to tell the member opposite that whatever the House orders, this legislature and this government will provide. There was a debate the other day for orders for return, and whatever the House orders, this government will provide that information in full.

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

**Mr. Muirhead:** — Mr. Speaker, another question to the Deputy Premier. Yes, all of Saskatchewan are asking this question, not just the members of this House. We want you, Mr. Speaker, to table all new hiring that this government has done since November 1, 1991. And we've been asking this question on behalf of the people of Saskatchewan since that date, and you've given us no answer. If, Mr. Minister, you want us to call you an open, honest government, please give us that information.

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I don't know

what the member is talking about. All of this information is available now. The member knows that he can go to the appropriate place in Executive Council and get information on presidents of Crown corporations, what their salaries are, what their benefits are — something which never was available back in the 1980s, Mr. Speaker.

It is available now since the beginning of the term of this government, and it will continue to be available because the information on people who are hired in various positions of the government should be public knowledge.

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

**Mr. Muirhead:** — Mr. Speaker, the answer that the Deputy Premier gives is simply not true. You are ashamed to give this information in this here House, Mr. Deputy Premier, because you have so many contracts that are even verbal. Don't tell me they're going to be available through Public Accounts and what not because they're not.

My new question: what I want to know, Mr. Minister, is how many individuals — this shouldn't be too hard a question for them to answer — how many individuals your government has hired. You should know that. Throughout the entire government in the midst of your hiring frenzy, I want to know specifically the number of individuals. Will you at least supply a list of the positions and salaries since November 1, 1991. That should not be a hard question to ask.

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

**Hon. Mr. Tchorzewski:** — Mr. Chairman, that certainly is not a hard question to ask and it's certainly not a hard question to answer. I want to assure the member from Arm River that all of that information is available and will be available. And if the member wants department by department to know what the hiring has been, what the contracts are, he's got all kinds of options available.

One, there's the freedom of information. That information is provided. Two, in estimates, particularly in estimates, he can ask those questions and all of that information will be presented. Ministers have been alerted that those questions will be answered. I suspect that the ministers will have it even in writing to pass it over to the member when he begins to ask those questions in the estimates in the Committee of Finance of the various departments.

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

**Mr. Muirhead:** — Mr. Speaker, that is exactly the way how this minister answers all questions. You said you'll get it in some other department or some other way. He has never, since this House sat in the end of April, he has never stood to his feet and answered a question.

My new question to the minister, Mr. Speaker. Your Associate Minister of Finance stated on June 30, 1991, that it was impossible to provide a list because, and I quote:

... if we were to answer this it would be a book that would rival the New York telephone book.

Now that is what he said in respect to those individuals hired since November 1, '91. The associate minister's remarks are for concern to the people in Saskatchewan.

Will you confirm, Mr. Minister, that you have hired so many individuals in SaskTel just since November 1 that it would fill a telephone book? Will you confirm that?

**Hon. Mr. Tchorzewski:** — No, Mr. Speaker, I won't confirm that, if that is the member's question. I simply want to repeat what I have said. This government is one to be open with the information such as the member asks for. He can ask those questions in Committee of Finance. All of that information would be fully and completely available. All of the positions in places like SaskTel are advertised. There's open competitions for those positions, Mr. Speaker. Everything is done differently than it was in the 1980s because this party, the New Democratic Party, said if the people elected us we would have open, honest, and accountable government. And that's what we're going to do.

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

**Mr. Muirhead:** — Mr. Speaker, that's the kind of arrogance we've heard from that side of the House since this House has come in. Absolute arrogance.

The Associate Minister of Finance and the Government House Leader have repeatedly denied this public information. I have asked and I have asked in estimates to get this information from that minister responsible for Public Service Commission and he has denied those answers. Now you say, go to this department, go to that department. If the list of your patronage appointments would rival even the Wynyard telephone listings, the public of Saskatchewan has a right to know.

I repeat, Mr. Minister, will you provide me today with a list of individuals hired since November 1, 1991? Will you provide it as Deputy Premier of this province?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, if the member wants that kind of information, he knows I don't have that information available. If he wants that kind of information, one, he can put it on the order paper for an order for return; it'll be provided. Secondly, Mr. Speaker, he can ask it in the estimates of the different departments and he will get it in detail for each of the departments that he wants.

Now I hope the member is asking for positions that are appointed by the government in management positions and not positions that are an open competition through the Public Service Commission. Because indeed if that's what he's asking, he will be asking for a voluminous piece of information which is really quite unnecessary because the process there is open on the competition basis. And I hope that the member isn't going to that extent. But if he wants some of that information he knows the right place to ask that, not at question period where the information

isn't available, but in the Committee of Finance.

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

**Mr. Muirhead:** — Mr. Speaker, to the Deputy Premier: are you saying to this Assembly, Mr. Deputy Premier, that when we get to your ministers, are you saying we'll get that information? Or are we going to be stifled like we have been in the past? Will you instruct your ministers to give us all the information of every individual that has been hired by your government so we can tell who has been political and who hasn't been?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I invite the member from Arm River, and I invite any other critic of any department, to ask those questions in Committee of Finance. To the extent that those questions are in order, they'll be answered. But I urge the member opposite not to get into the business of asking for all of the positions that are hired in government because he knows that over a period of a year, I don't know the numbers, but it's very large. If he wants to ask questions about positions that the government appoints by order in council in management positions, that will be answered by the ministers without any reservations whatsoever. I give him that assurance.

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

**Mr. Muirhead:** — Mr. Speaker, the Deputy Premier knows right well, this opposition, what kind of answers we're trying to get from you, and that's been your political hirings. Because you promised at election time there'd be no political firings and no political hirings. Now you've broken that promise and you aren't men enough to stand in your front row and say so. And we're going to keep on going till we find out.

If I thought it would assist me, I would apply for a freedom of information request on this issue. But this is what's happening with the freedom of information. In fact there's an article in the *Leader-Post* yesterday, July 2. This article states, and I quote:

... already, information that was promised under (the freedom of information) Act is being denied.

In fact the government won't even release how many of the 133 requests filed have been provided.

Mr. Speaker, my question to the minister: will you today tell us exactly how many of the freedom of information requests have been filed, and how many of these requests have been denied?

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

**Hon. Mr. Tchorzewski:** — Mr. Minister, I don't have before me the number of freedom of information requests that have been filed, but I can tell the member opposite that all of the freedom of information requests within the freedom of information legislation have either been answered or are in the process of being answered — those that are within the terms of the freedom of information legislation.

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

**Mr. Muirhead:** — Mr. Speaker, new question to the Deputy Premier. You won't tell us how many have been hired. You won't tell us how many's been fired. You won't tell us how many questions have been answered through the freedom of information. You won't tell us any of these things. You just stand there, you sanctimonious bunch of ministers in the front . . .

**The Speaker:** — Order, order. Does the member have a question? Let's ask the question.

**Mr. Muirhead:** — Isn't it true, Mr. Deputy Premier, that the requests that had been put on hold, they've been held back to save the NDP (New Democratic Party) government political embarrassment. Is that not the truth? You don't want to have a political embarrassment by naming all the people that you've hired — the political hirings?

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

**Hon. Mr. Tchorzewski:** — Mr. Speaker, the answer to the member from Arm River is no. It is not true.

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

## INTRODUCTION OF BILLS

### Bill No. 62 — An Act to amend The Fuel Tax Act, 1987

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I move first reading of a Bill to amend The Fuel Tax Act, 1987.

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

### Bill No. 63 — An Act to amend The Ombudsman Act

**Hon. Ms. Simard:** — Mr. Speaker, I move that a Bill to amend The Ombudsman Act be now introduced and read the first time.

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

### Bill No. 64 — An Act respecting Arbitration

**Hon. Ms. Simard:** — Mr. Speaker, I move that a Bill to amend The Arbitration Act be now introduced and read the first time.

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

### Bill No. 65 — An Act to amend The Homesteads Act, 1989

**Hon. Ms. Simard:** — I move that a Bill to amend The Homesteads Act be now introduced and read the first time, Mr. Speaker.

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

## MOTIONS

### Granting of Leave for Members to attend Conference

**Hon. Mr. Lingenfelter:** — Mr. Speaker, before orders of the day, by leave of the Assembly, I move:

That the absence be granted to the hon. member for The Battlefords and the hon. member for Regina North West from Monday, July 6, '92 to Wednesday, July 8, '92, inclusive, for the purpose of attending the annual meeting of the Canadian Council of Public Accounts Committees and conference of legislative auditors in Fredericton, New Brunswick.

Motion agreed to.

## ORDERS OF THE DAY

## GOVERNMENT ORDERS

## SECOND READINGS

### Bill No. 60 — An Act to amend The Community Bonds Act

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I'm pleased to introduce for the consideration of the Assembly, The Community Bond amendment Act. In keeping with our government's commitment to the Saskatchewan spirit of community and co-operation and to our pledge to represent the interests of everyone in the province, this Act will provide our communities, rural and urban alike, with a stronger program to support their economic development efforts.

It is an understatement to say that we are facing tough economic times right now in the province of Saskatchewan, a situation made all the more difficult because of the legacy of debt left by the members opposite. But, Mr. Speaker, Saskatchewan people have faced tough times before. We have always pulled together, pooled our resources and skills, and met the challenge and found solutions that worked. That is how the co-operative movement was started. The movement of our grain was controlled by Winnipeg and Chicago grain traders and the co-op movement helped to keep the money and control right here in our communities and in the province of Saskatchewan.

We couldn't get credit from eastern-controlled banks. Financial institutions were insensitive to the unique needs of Saskatchewan. And as a result we formed credit unions — that is local people controlling their money and finances for the benefit of their communities.

The community bond concept is built on that same tradition and this amendment will strengthen that tradition. Mr. Speaker, there is ample evidence that the same spirit of community and co-operation that built our province is in fact alive and well and ready to be harnessed once again in the province.

Since the original community bond Act was proclaimed

in 1990, 142 community bond corporations have been incorporated, 22 bond offerings have raised almost \$10 million; it has been used towards economic development. This has enabled 14 Saskatchewan businesses to create more than 250 jobs. And we expect, Mr. Speaker, with the improvement to the Act that we are proposing, hundreds of more jobs will be created for Saskatchewan residents and families.

Successful, locally controlled economic development projects involving community bonds have included projects like the resort complex at Manitou Springs Hotel; Master Manufacturing, a firm that makes steel buildings in Moose Jaw; Perma Tile, whose roofing tiles are made in Lemberg and are sold all throughout North America.

Many other communities have bond offerings in innovative projects in various stages of progress. A couple of such examples of this are: the provincial review committee has given the Pheasant Creek Community Bond Corporation the go-ahead to proceed with a project involving the manufacture of a fibreglass products and components. Another in Saskatoon that QCC Community Bond Corporation has formed to invest a company to manufacture and service advanced technological equipment.

Just this week, Mr. Speaker, I had the pleasure of attending the kick-off for the Saskatoon community bond as well the Saskatoon regional community bond. It is expected, Mr. Speaker, that these two bond corporations could create hundreds of jobs directly and indirectly in Saskatoon and the Saskatoon area.

Mr. Speaker, this Bill is in addition to the many other responsible measures that this government has already taken to stimulate economic development and to replace economic chaos and stagnation with planning and prosperity. Measures for the small-business sector include reduced taxation burden; measures for the manufacturing sector to begin phasing out education and health tax in manufacturing and processing inputs to improve their competitive position; measures to enhance the ability of tourism industry to attract tourists and entertainment dollars. And finally, Mr. Speaker, I will be announcing measures for investment in small-business community to increase allowable annual contributions to Saskatchewan labour-sponsored venture capital corporation.

(1045)

In addition, Mr. Speaker, my department has made available this year another \$20 million in guarantees for the community bond program which will stimulate investment and jobs in small business at the grassroots level. Mr. Speaker, in response to the call to streamline government and reduce the number of agencies involved in economic development, we will be doing this in my department with fewer staff and a smaller budget.

This Bill is an important part of our economic development plan. The amendments the House will be considering flow from the same process that resulted in the first realistic provincial budget in many, many years. That is we looked, we listened, and then we act. And now

the legislation is here.

We looked at a promising community-based economic development idea, the community bond program, hampered by the previous government's secret deals, patronage, and just plain bad management. We listened to the community bond corporation, the co-operative sector, industry, local government, and our own department and Crown corporations. We acted with this legislation designed to address the concerns and strengthen the community bond program.

Under The Community Bonds Amendment Act, Mr. Speaker, the co-operatives in the province will become eligible to be involved in community bond funding. As we have said, co-operatives play a vital role in Saskatchewan's economy, but they were locked out of the community bond program by the short-sighted policies of the previous administration.

In addition, Mr. Speaker, under this legislation, an acceptable independent third party, due diligence review process will become mandatory, and commercial viability will become a key requirement for all approved projects. This will increase confidence of prospective investors in the bond offerings and, of course, protect the taxpayers who, in fact, guarantee the bonds for the public.

Limits of liability for directors of community bond corporations will be defined. This will give community representatives a greater comfort level with projects for which they are asked to serve as board members.

Restrictions on the use of community bond funds by the project companies will be stipulated. This will ensure that funds are used to help develop industry in Saskatchewan and not simply pay off debt or refinance existing businesses.

The equity position of the community bond corporation will be limited to 50 per cent of any one project. This ensures the risk equally shared among government, the private sector, and the local community.

Mr. Speaker, the program cap for the maximum level of guaranteed debt will be set at \$100 million. As recommended by the Gass Commission, government commitments will be controlled within Legislative Assembly. Now, Mr. Speaker, what this means is that if more than \$100 million in community bond program is needed, the government of the day will have to come back to the legislature to be granted approval to go beyond the \$100 million maximum.

Provision will be made for a maintenance guaranteed fee. Corporations will be assessed this fee by the government to partially offset the cost of providing the government guarantee. In addition there are some small housekeeping amendments.

This will not be the final review of this legislation, Mr. Speaker. And in keeping with our commitment to be responsive, responsible government, it will be reviewed annually and fine tuned on a regular basis.



Mr. Speaker, I'm confident that all members of this Assembly will work together to ensure speedy passage of the measures to clear up the anomalies, inconsistencies, and problem areas that have been identified by the public in the community bond program.

Mr. Speaker, in that spirit I now present The Community Bonds Amendment Act for second reading.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I make a few comments regarding the Bill as it's presented to the House before I would adjourn the debate on the Bill.

Mr. Speaker, there's no doubt over the past number of years that many communities, many individuals and groups of people, have looked at this corporation and this idea and have certainly grasped the potential it has for our province. We have seen over the past number of years . . . and I believe the minister has given an outline of a number of new organizations that have come to the community bond corporation seeking some help and allowing them to go to their local market seeking the financing and the equity needed for them to put in place an idea, whether it's manufacturing or processing, that allows them to strengthen their community and allows them to create jobs within their community.

Over the past number of years we have seen communities like Kindersley and their Rotary Air Force Community Bond Corporation build a little company that has provided a number of jobs to the community, and I'm sure the community of Kindersley is appreciative of the community bond corporation and the concept.

The small community of Lemberg . . . I'm not exactly sure of the population, but I know it's less than 500. A group of individuals decided that they could get into a different form of roofing, and they've developed a roofing tile company, and I believe they have an excellent product. And we're seeing more and more of that product appearing not only in the Saskatchewan market-place but I believe right across western Canada. And it's probably a product that I believe really has the potential to develop right across the western hemisphere.

And it began because people had an idea. They needed a little bit of help on the equity side, came to government and through the community bond corporation were able to do a bond offering. And people in their community believed that this was an excellent idea to not only enhance the community by creating jobs, but would give them an area and an avenue in which they can invest their money in. There's no doubt in my mind that more people will take a serious look at community bonds and the community bond concept to invest in their communities in light of the fact that interest rates have dropped off so dramatically. And it's probably a better investment to build your community and to build for yourself through the future rather than letting your money sit in a financial institution maybe drawing only 3, 4, or 5 per cent in interest.

Mr. Speaker, we're happy on the opposition side to see

that the government is continuing this project. And no doubt any time any idea comes forward such as the community bond corporations and you lay out the guidelines, a lot of times, Mr. Speaker, you will find sometimes the guidelines don't quite meet what the original intention of the program was going to be.

And so at this time we realize too that no doubt the community bonds needed to be reviewed and reassessed and looked at and some new guidelines set in place. We want to take a little more time to look at some of the guidelines that have been brought forward by the government. We trust and we will offer suggestions as well that will strengthen this corporation because I believe, Mr. Speaker, Saskatchewan has a lot to offer Canada, more than just agriculture and oil and potash. Mr. Speaker, I believe we need to look at ways in which we can become processors and we can diversify our economy so that we can strengthen the infrastructure in this province, strengthening our small and larger urban communities.

So at this time, Mr. Speaker, I adjourn the debate.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

#### Bill No. 35

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Wiens that **Bill No. 35 — An Act respecting the Production, Supply, Distribution and Sale of Milk** be now read a second time.

**Mr. Toth:** — Mr. Speaker, there are a number of other concerns and issues we'd just like to raise at this time and I don't have all the information directly in front of me. My colleague has been called to do some media . . . and at this time I would adjourn debate on this Bill.

Debate adjourned.

#### Bill No. 21

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 21 — An Act to continue SaskEnergy Incorporated**, to make certain consequential amendments to certain Acts resulting from that continuance and to validate certain transactions involving SaskEnergy Incorporated be now read a second time.

**Mr. Toth:** — Mr. Speaker, here again we have a Bill that certainly has a fair bit of content to it. And we have entered into discussion with a number of people and we're still waiting for some information to come back to our caucus regarding the Bill. We're looking for input from especially people who would be directly affected by the Bill. Mr. Speaker, as I entered, SaskEnergy Act is the splitting off of SaskEnergy from Sask Power Corporation. It's somewhat similar, I believe, to the Act that was presented back in 1989 although it does take . . . I believe it eliminated the privatization portion of the Bill.

But we would also like to mention that we believe . . . The Bill was originally introduced in 1989. The idea was to give the corporation an opportunity to again go out and find equity and take some of the burden of taxpayers' money off the debt that was saddled upon the taxpayers of this province and put it in the hands of individuals who believe that this corporation could be a worthwhile corporation to invest in.

And so we would suggest, and we will no doubt probably be bringing amendments forward that would suggest, and give the government an opportunity to allow this corporation as well to indeed go out to the private market and find some of the funds necessary for the corporation to operate.

So, Mr. Speaker, as we await further information and further contact from people involved or that would be affected by this Act, we would ask leave to adjourn debate.

Debate adjourned.

### Bill No. 3

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill 3 — An Act to amend The Environmental Management and Protection Act** be now read a second time.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, I have a number of questions and concerns about this Bill. My main concern is similar to that stemming from changes being made to a number of Bills introduced into this House. These Bills will give sweeping powers to the government cabinet ministers. Mr. Speaker, these Bills will reduce individual rights for Saskatchewan citizens.

Bill 3 is just another example of this dangerous trend. In this Bill, the Minister of the Environment will be given powers of search that exceed any enforcement power, not only in Canada, but I suspect in the free world. What I'm referring to is the section of the Bill which allows the Minister of the Environment or environmental officer or any designated person — and I am quoting the Bill — to enter onto any land or into any building of a private individual or group in the province without obtaining a warrant. They can do so on speculation, Mr. Speaker.

Further to this, the above-mentioned individuals, which basically means anyone, can use any force they deem — that's the government's favourite word, it seems — deemed appropriate to gain entry. They can use any equipment, machinery, or materials that they feel are necessary to carry out this forced entry. This is specified in the Bill. This puts the minister, or any person designated by the minister, above the law.

Mr. Speaker, I had a chat with a retired RCMP (Royal Canadian Mounted Police) officer who was appalled with this type of action. He told me, Mr. Speaker, that the Charter of Rights and Freedoms limit the action of the police to search for drugs which pollute and cause environmental damage to people in a much more direct

way. Yet the NDP are suggesting their environmental rent-a-cops be given powers of search which exceed that of any enforcement power.

How can the government do this, Mr. Speaker? How can the government be sure that it will not be in court over this action? The RCMP in this country do not have the power that the Minister of the Environment is attempting to gain with this Bill. The government may barge onto any private land if they think they have a reasonable and probable grounds, nothing more. They need not get consent, and I wonder if consent will ever be sought prior to these break-and-enters. Maybe the minister can clarify this when she has an opportunity.

(1100)

Will they be seeking permission prior to their entries? How can the damage sustained by these force . . . What about the damage sustained by these forceful entries? Perhaps the suspicion initiating the forced entries is inaccurate. Who is left with the repair bills? Is the Department of the Environment and Public Safety to fix what they damaged, or is this left up the minister's discretion as well?

I also have a problem with the section dealing with an individual's place of residence. In section 2.3(7) and 2.3(8) the minister is changing who is allowed to issue search warrants. This change allows a justice of the peace to issue warrants in respect to searching a person's home, their castle, their domicile. This is a change from a provincial court judge to a justice of the peace.

Why is the minister including this provision in the Bill? Frankly, Mr. Speaker, I'm surprised she did not take this function solely onto herself. Mr. Speaker, this power grab by the NDP government cabinet ministers is confusing. Why do they need to accumulate additional power?

The same principle is at play in other Bills introduced into this Assembly. The Bills I refer to reduce individual rights and increase ministerial powers. This is disconcerting and very troubling.

Mr. Speaker, what set of circumstances would make it necessary for a minister to release confidential information on a private resident of Saskatchewan?

Two Bills give the minister the ability to do so. People are losing their right to confidentiality, their right to privacy, their right for a just trial. The NDP even tried to limit political satire. It was only after being ridiculed that they changed their minds. They reversed the decision, and did so outside of the committee.

Mr. Speaker, this government is going too far. We in opposition want the public to be notified of significant amendments such as the one this Bill contains. The public should be made aware of what is happening. They should be informed on what the NDP government is doing, that their individual rights are slowly being diminished and that the cabinet ministers' powers are being increased. Some trade-off.

The loss of individual rights is not the only matter that

needs review in this Bill. I'm also concerned about the section stating that no person shall pollute or cause pollution. I do agree that actions which are adversely affecting our environment must be contained. But, Mr. Speaker, some would feel that producers, farm producers' use of pesticides is polluting the environment. How is this Bill going to affect our province's farmers? Are they going to be stopped from using farm chemicals — farm chemicals that are necessary to protect their crops, to protect their livelihoods? Will farmers' barns be broken into? Will their Roundup be seized by environmental police?

This may sound silly, Mr. Speaker, but the Bill is not specific. Are there any guidelines? Are there any guidelines on the amount of funds that must be deposited by owners or operators dealing with storage of hazardous substances in case of contamination? The possibility of contamination is very real. The owners must be responsible if a clean-up is necessary. However does the amount of funding depend on the substance in question or the type of facility or the environmental history? Or is it entirely based on the minister's discretion? If the minister happens to like you, is the deposit lower than if the minister does not hold you in high esteem?

This is what it seems to be in reading the Bill, Mr. Speaker. It states that — and I am paraphrasing — that:

... owners, operators, and persons installing, servicing, testing, and decommissioning storage tanks, containers or facilities for hazardous substances to obtain insurance or performance bonds, to deposit funds in any financial institution approved by the minister and in any amounts the minister may consider necessary (in any amounts the minister may consider necessary), to establish trust funds or to provide proof to the minister of financial soundness to cover possible contamination or pollution ...

The key words are "in any amounts the minister may consider necessary." Surely the minister will not sit at a desk and pull numbers out of thin air. Confirm to us, Madam Minister, that there is a process in place. Confirm that there are guidelines in this regard and that it is not totally at the minister's discretion.

This portion of the Bill pertaining to a deposit or bond coverage is similar to provisions found in British Columbia in their legislation. In that province, insurance or bonds had to be provided to cover hazardous materials found. Similar to this Bill, if during excavation hazardous substances are found, they must be disposed of. The problem in British Columbia is that bond companies won't cover this. Contractors are on the hook for the cost.

As you know, contractors make a bid on the known costs. If they have to cover the environmental clean-up costs of something found during excavation, should it not be up to the owner to pick up the tab? Contractors should be protected from unseen circumstances such as these. I would suggest that this part of the Bill be tightened up to protect contractors.

Mr. Speaker, I received a copy of a letter from the

Saskatchewan contractors association sent to the minister, and it reads,

The proposed new Section 7 could be a problem. We are told that bonding companies in another province are putting exclusions in performance bonds so as to avoid this liability. We believe the responsibility for insuring the cost of handling, transportation and disposal of hazardous material should rest with the owner of the property or facility. This would seem fair since the contractor frequently cannot predict what may be encountered, particularly in an excavation.

I don't know how the minister can hold the contractor responsible for something that the contractor very likely does not know even exists. It's the owner that should be liable for the clean-up costs, Mr. Speaker, not the contractors. I would like some clarification in this matter and I'm sure that many in this province would also.

This Bill clearly protects the environment. But what it is not protecting is civil rights. First we have the Bill allowing the environmental police onto property without a warrant. All they need is cause or suspicion of pollution or even that there is information respecting the environment. All of us, Mr. Speaker, have information on the environment in our homes, offices, or places of business. Will this power and provision be used as a means to harass the citizens of Saskatchewan?

Secondly, we have a Bill allowing for forceful entry. Battering rams could be used, and the owner not protected from damages.

And thirdly, we have the minister deciding how much of a bond should be put up without any guidelines.

I'd like to say a couple of words about section 35 which allows the minister to receive information of potential violations of this Act. Where there is an informant, the name, address, and particulars of the application for investigation must be filed on that informant. Informants may well be vital to assisting the prevention of continued pollution. However some protection must be provided to prevent an informant from harassing an individual or corporation. Perhaps the name and address of the informant could be released if, after investigation, the accusation proves to be false.

Madam Minister, informants are needed, but they must also be responsible for and in their accusations. While the informants do not need to supply the evidence themselves, their accusations must have some substance. They cannot simply use provisions of this Bill to harass innocent individuals or companies.

Another issue that should be dealt with, Mr. Speaker, is confidentiality of business files. Is business protected from release of confidential information they may have on their premises? I am talking about technical information on how they run their businesses, technical information that they do not want to be made public because it gives them an edge over the competition.

Where is their protection that their private business files

won't be confiscated — protection from confiscation and release of information to their competitors or to the general public? They have none, Mr. Speaker, because the environmental police can seize any books, records, or documents that they want. And, Mr. Deputy Speaker, it is up to the minister's staff to determine what should be taken. This concerns me.

This week in the House the Government House Leader refused to release information on NDP appointees — people they have hired since November 1991. They have decided that they won't tell us who they are hiring. We won't know who they are. Therefore, Mr. Speaker, political appointees, patronage appointments, could be seizing the documents from businesses, and no one can stop them — seizing documents simply on the pretext of using this environmental Bill.

Mr. Speaker, we do not advocate that individuals should be allowed to break the law. Not at all. If someone is dumping oil into the Saskatchewan River, that is a crime. Mr. Speaker, murder is also a crime. The difference is that if someone is suspected of dumping oil into the river, the environmental police can barge in without a warrant and seize any information, books, or items that they deem — the government's magical word again — deem to be necessary.

Mr. Speaker, if a police officer suspects there is a murderer in a building, he has to go out and get a warrant to investigate. How does the minister justify this? The same happens in the suspicion of narcotics. If a police officer suspects that there are narcotics in a building, even if he can tell you which office, which desk they are housed in, he still needs to go out and get a warrant to investigate.

If the Minister of the Environment suspects that a farmer or even an urban home owner is using pesticides that may be harmful to the environment, she can send someone right onto the property for a look-see. What is happening here? Saskatchewan is turning into a police state. Political appointments are gaining more power than our police forces.

Mr. Deputy Speaker, obviously some revisions to this Bill are necessary. If the NDP are truly concerned about the people of Saskatchewan and the rights of these people, they will not introduce legislation like Bill 3.

Madam Minister, this week we were discussing in the Assembly our constitution. Our constitution is one of the pillars which supports our nation. Another pillar is the charter of rights — the charter of rights and protections for individuals. As I have discussed at great length here today, Bill 3 takes away some of the protection individuals have and hold valuable.

Madam Minister, I would ask that you present this House with a legal opinion on the constitutional validity of these provisions of this Bill. I do not believe that they would stand up to a constitutional challenge.

Madam Minister, I ask that you withdraw the sections of this Bill which restrict and eliminate the rights of individuals. The sections to which I refer to are: 2.3(1),

2.3(2), 2.3(3), and section 8(c). Thank you, Mr. Speaker.

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

(1115)

### Bill No. 7

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. Carson that **Bill No. 7 — An Act to amend The Assessment Management Agency Act** be now read a second time.

**Mr. Boyd:** — Thank you, Mr. Deputy Speaker. The Bill basically reduces the amount of funding to The Assessment Management Act. We have some concerns and questions about that, Mr. Deputy Speaker, but we would have no problems in asking those questions in the Committee of the Whole. So we would ask that the Bill be advanced to that committee.

**Ms. Haverstock:** — Thank you. It's my pleasure to speak to the changes of funding to the Assessment Management Agency. Everyone in this province understands that Saskatchewan is in a very serious financial position, and I have stated in this Assembly that the government gets top marks in explaining the urgent nature of the crisis to the residents of Saskatchewan.

After years of political showmanship they should inevitably be good at what I consider to be public relations exercises. Unfortunately, Mr. Deputy Speaker, it is not enough for the government to excel at telling everyone that there is a crisis. It is not enough that they travel the province explaining to everyone the sins of their predecessors. This government must go beyond rhetoric and solve difficulties including our financial woes.

Mr. Deputy Speaker, the government may believe that by reducing its financial obligations to SAMA (Saskatchewan Assessment Management Agency) it is helping to solve this problem, but problem solving involves a lot more than simply dropping the axe on funding.

The slash and burn strategy used by this government that comes forward in this Bill is really no strategy at all. When Saskatchewan people are looking for concrete plans for doing more with less, this government appears that it has been offering merely a ghost plan — an apparition that is no more tangible than rhetoric. I'm very seriously concerned, Mr. Deputy Speaker, with the government's decision to abruptly reduce its responsibility for funding the Saskatchewan Assessment Management Agency.

Where the past provincial government provided a basic grant and then covered 50 per cent of the costs of running the agency beyond that sum, the government of the day has decided that it will only provide a grant. And this decision will inflict added burdens on the already overburdened municipalities of Saskatchewan.

Mr. Deputy Speaker, should SAMA's expenses exceed the funding already allocated to it by the province and the municipalities, our local governments will be left to meet all of the extra expenses. Now these municipalities are

just now finding ways to cope with this year's cuts and are still reeling from the loss of a significant share of fine revenues to the provincial government. Local leaders across this province are hoping they can find ways to cope with the cuts that the Minister of Finance announced that they will be facing next year.

Through this Bill the government will impose yet another burden on the resourceful local governments of the province of Saskatchewan. This, Mr. Deputy Speaker, comes from a government that has promised it had a way of doing more with less. We now know the details of this promise — the government has decided it can have more and the municipalities will just have to do with less.

Mr. Deputy Speaker, if the government felt it had to cut funding — and I'm sure it has felt this or it wouldn't have done so — such cuts must always account for the tasks that each agency, each organization or department must fulfil.

While SAMA does not stir up great emotions, it plays an important job in our province. And as I speak, SAMA's staff is working hard to find a better system of assessing property so that the residents of our province can have a property tax system that is both fair and just. It is to provide a means of changing the assessment system at arm's length from government and undue partisan interference.

Property tax raises almost half as much money in this province as personal income tax, and it is imperative that we have a system that is fair, not just perceived as fair, but is fair for everyone. The government unfortunately chose to cut its funding at a critical time when SAMA is asked to fulfil such an important and onerous task.

This decision to cut funding not only threatens to undermine SAMA's ability to perform, but it also threatens the agency's autonomy that is so critical to ensuring that we have a just tax system.

Mr. Deputy Speaker, the government not only cut SAMA's funding at a time when it needs resources, but it did not bother to wait to give SAMA an opportunity to complete its own efficiency measures. Once again the government has failed to consult the people who know these programs through lengthy work experience, the people who possess the expertise, the people who know more can be done with less.

Had the government waited a few more months SAMA could have completed its own studies and found ways of reducing waste without government interference. With patience, consultation, and good planning arbitrary legislation like this proposed today, Mr. Deputy Speaker, in my view would not be needed.

Mr. Deputy Speaker, the people of this province want more than a ghost plan. They want a government that does more than simply cut and then walk away leaving behind a trail of rhetoric. They want a government that shows that it has done everything to reduce waste before it asks for more taxes.

Saskatchewan people certainly do not need to see a

government arbitrarily cutting funding before allowing those who know where to introduce cost-cutting measures, giving them a chance to implement intelligent plans.

Clearly this kind of action appears to state that big brother has returned. And unfortunately while a big-brother government simply tells people what they should be doing, it appears not to fully understand what it is that really should be done.

In closing, Mr. Deputy Speaker, I urge this government to reconsider arbitrarily changing the funding for SAMA. I implore them to follow the path of common sense and listen to and use the suggestions from the many people across this province who know where waste can be reduced, because they see it every day. Given the chance, I know that people empowered to do it will strive to make the changes that are necessary in order to cut costs for the people of Saskatchewan.

Mr. Deputy Speaker, the government has excelled at explaining the weight of the crisis before this province. It is now time for them to transcend that concern to actually solving these problems by using the wisdom of the people of Saskatchewan. I ask them to reconsider this Bill and reform it with the principle of consultation as their guide.

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

#### Bill No. 38

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Wiens that **Bill No. 38 — An Act to amend The Pest Control Products (Saskatchewan) Act** be now read a second time.

**Mr. Martens:** — Mr. Deputy Speaker, we are going to allow 38 and 39 to go to committee. I just want to make a couple of observations regarding that, that we will be asking a number of questions in committee about the extent to which the permits and the licences will be initiated, or the regulations in relation to those licences, and what they will be doing. And we will be asking information regarding that when we come to that in committee. And so, Mr. Deputy Speaker, we will just allow that Bill to proceed.

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

#### Bill No. 39

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Wiens that **Bill No. 39 — An Act to amend The Pest Control Act and to enact a consequential amendment related to the enactment of this Act** be now read a second time.

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

#### Bill No. 27

The Assembly resumed the adjourned debate on the

proposed motion by the Hon. Mr. Cunningham that **Bill No. 27 — An Act to amend The Rural Municipality Act, 1989** be now read a second time.

**Mr. Boyd:** — Thank you, Mr. Deputy Speaker. There are a lot of things in the Bill that are of concern, particularly to the SARM (Saskatchewan Association of Rural Municipalities) people. Things that have come to our attention are that parts of the Bill give the minister the power to amalgamate municipalities. That's never been part of the Bill before and it's of concern to us.

We are still consulting with the SARM folks on other areas within the Bill and, Mr. Speaker, we'd want to continue those consultations and we'll be doing that in the near future.

**Mr. Toth:** — Thank you, Mr. Speaker. Certainly, Mr. Speaker, a number of concerns raised by SARM and the rural municipalities in Saskatchewan have been brought to our attention. And we also have a number of our members who wish to speak even a little further to this Bill, and so at this time I adjourn debate.

Debate adjourned.

### COMMITTEE OF THE WHOLE

#### **Bill No. 29 — An Act to amend The Education and Health Tax Act**

##### **Clause 1 (continued)**

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Chairman. I introduced the officials who are with me yesterday so I won't go through all of their titles, but it's Mr. John Wright and Mr. Len Rog who are here as the officials from the Department of Finance.

**Mr. Boyd:** — Thank you, Mr. Chairman. I had a number of questions that I wanted to ask the minister with respect to a border community in my constituency. And I'm sure it's of concern to them. They have raised it with me a number of times, and I've said to them that I'd certainly ask the Minister of Finance when we had the opportunity to do so.

The community of concern in my constituency is Alsask. It's a small town on the Alberta border. I think it's something like a half a mile from the border, maybe even less than that. In fact, there's one business that is about a hundred yards from the border, a fuel dealership there.

And the concern obviously is with respect to the different tax structure. They don't feel that they are being dealt with very fairly with respect to the difference in the taxation levels between the two provinces. Lloydminster has had an arrangement with the government for a number of years, and they feel that their case is just as just as the situation in Alsask. So, Mr. Minister, I wonder if you would give us some indication of whether or not you're willing to look at the situation with respect to Alsask.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, as I indicated yesterday when we had this discussion with other members, we're certainly willing to look at any

alternatives that may be workable. And if the member has some proposals that he wants to forward to me, we'll consider them. The situation in communities like Alsask or any communities down the line isn't different today than it was a year ago.

(1130)

**An Hon. Member:** — Well no one is saying it is.

**Hon. Mr. Tchorzewski:** — I'm not saying it is either. I'm not arguing. I think the fact that this situation has existed for some 40 years really shows the difficulty that faces anybody who tries to deal with it. But that doesn't mean we should ignore it. And if there are some alternatives that are workable and are reasonable that can be brought forward to us, we will deal with it. We've already dealt with it in one major way when this government, after taking office, moved to do away with harmonization.

**An Hon. Member:** — Boloney.

**Hon. Mr. Tchorzewski:** — Well, the member from Kindersley says, well, boloney. Well it's not boloney. You've got to keep in mind that harmonization would have really aggravated the situation in a very dramatic way because it would have applied the sales tax on every single item purchased other than prescription drugs and groceries and restaurant meals. People from Alsask would have been driving . . . or people passing through who normally might stop in Alsask for a meal were driving straight across the border into Alberta to have their meal.

I don't use this for argumentative purposes, but that's a fact. That has made a significant difference. Hasn't solved the whole problem. If there are any options that are worth considering, I can tell the member opposite without any reservation, we're prepared to consider them.

**Mr. Boyd:** — Mr. Minister, I think it shows an appalling lack of knowledge with respect to some of those border communities. Most of the businesses in those border communities, sir, are dealing with businesses like the oil and gas sector, operations like farmers, who all under harmonization got the tax back. So when you say that harmonization hurt those businesses, that's simply not true, sir.

Those businesses, the oil and gas sector . . . now what we're seeing is the oil and gas sector, because they are not getting the tax back under harmonization, they're bringing in their supplies from Alberta. The oil and gas sector in the Kindersley area is trucking fuel in from their operations in Alberta into Saskatchewan now and buying all of their parts and all of their everything else that goes into their operations, are buying them outside of the province.

Under harmonization they'd have been buying them locally in towns like Alsask, Macklin, Kindersley, Coleville, places like that. That's what they'd have been doing. They had been doing it all along, buying them in the communities. And now with harmonization they would have continued to buy them. But they aren't buying them now as a result of your tax increase.

**Hon. Mr. Tchorzewski:** — Mr. Chairman, this government is not prepared to ignore the consumer. The average taxpayer has to pay the tax. The member opposite talks not about the consumer, the person who works for a living in the local store in Alsask or in a neighbouring community, earns a wage, who's not going to get any rebate. But that individual, that family, with all of the families in Saskatchewan, under harmonization was being asked to pay an additional \$440 million of consumption tax with harmonization — \$440 million. That's not a small amount of money.

People were going to be taxed on clothing, going to be taxed on the restaurant meals, snack foods. Residents of Alsask would have been taxed on all of those items, creating a further incentive to go to Alberta to purchase these kinds of goods that they buy. The fact that harmonization is no longer there has reduced some of that pressure.

There still is a problem. It's been a problem that's been there for 40 years. We recognize the problem, and we're prepared to seek solutions if they're available.

If the member wishes, he might forward to me the solutions he might have in mind. I'm not saying this just to be flippant; I'm saying this seriously. And I heard a solution yesterday, well let's move the border 10 miles back. That's not a solution. You move the border 10 miles back; you create another border; and people on the east side of the border are at disadvantage with the people on the west side of the border. The only difference is that that border is then in Saskatchewan. And you're making businesses in Saskatchewan, in the single province of Saskatchewan, having unfair competition with each other. So I don't think that's the answer.

But if there are other options that are reasonable as potential answers, I can assure the member opposite we're willing to look at them.

**Mr. Boyd:** — Would you be willing to look at them by a case by case situation — Alsask, Macklin — singularly, community by community, rather than moving the border as has been suggested, look at them on a case by case situation?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the answer is no. We have to look at a generic solution. We can't do it on an individual basis unless there is something really unique about it, as is the case of Lloydminster which is a city sitting on the border — one city, same community. It so happens that by some quirk of geography, or those who drew provincial boundary lines ran the border line through the middle of the city. That's a unique and a special case.

But if the member wants seriously to talk about solution in the context of the province of Saskatchewan, we need to be looking at a generic solution.

Part of the solution has been provided. And I know that the harmonizing tax did not last long. But let's look at Alsask. With harmonized tax as the former government had proposed, because the tax was going to be on

services, a person in the community or in the farm community who normally would repair their vehicle in Alsask or some other community along the border would have no longer done it because there was a harmonized 7 per cent provincial tax as well as the federal GST (goods and services tax) on the service charges, the labour charges.

Having eliminated harmonization, we've rectified that problem and at least have contributed that much to the solution.

**Mr. Boyd:** — Well, Mr. Minister, I'm not sure whether you've ever been to Alsask or not, but Alsask is a service related town for primarily agriculture and a little bit of oil industry. Under harmonization, they would have got the tax back on the service work that they were having completed.

So your argument doesn't hold for them. The town is sitting right on the border and it is a service related town for agriculture. The people in agriculture that were going to be going in and having their work done on a farm related vehicle would have got the tax back on it. There are very few consumers in Alsask. They're all farmers out there, Mr. Minister.

So I can't help but think that under harmonization they would have been better off on it. And I think they recognize that. The oil and gas dealer that I talked to that's sitting 100 yards from the border that can throw a stone over the border, he says, I don't see why I am any different than someone sitting in Lloydminster who can't throw a stone over the border.

There's service stations in Lloydminster that are further away from the border than he is, and yet he can't . . . you won't look at his situation. I would ask you, sir, why can't you look at his situation on a case by case study?

**Hon. Mr. Tchorzewski:** — Well because, Mr. Chairman, it's not just the border, it's the closeness of the proximity of the competition. I don't have the map with me so I don't know how close the nearest competition is. But if you apply this in a community like Alsask, the nearest community further into Saskatchewan is going to find themselves in the same situation as Alsask and you will not have solved the problem.

**Mr. Boyd:** — Mr. Minister, the nearest community is about 30 miles back in.

**An Hon. Member:** — These days, that's not very far.

**Mr. Boyd:** — Well these days it isn't very far, granted. No question about that. But you're suggesting that the next community was only a couple miles down the road, and it isn't. The next service related community is Kindersley, and it's at least 30 miles in from the border.

So I can't help but think that they have a very legitimate case when they ask for the same sort of recognition that Lloydminster has.

Well we'll maybe move on to something a little bit different. I've been asked by a number of businesses

particularly in the town of Kindersley to raise this concern with you. It's with respect to . . . Kindersley is becoming a large service centre for an expanding area.

I would suspect because of the oil industry there's a large number of businesses there that have been able to grow and prosper over the years as a result of the oil industry. And because of that there is a huge service centre related to the town of Kindersley. And that extends into Alberta, incidentally. It's closer, for example, for some of the folks on the Alberta side of the border to go to Kindersley than it is to the next largest service centre which would probably be the Medicine Hat region. So they have a concern about their customers that are in Alberta coming into Saskatchewan and paying the provincial PST (provincial sales tax).

In a number of other jurisdictions — Ontario I believe is one of them — and several states in the United States, they offer people from outside the jurisdiction coming into the jurisdiction the opportunity to have a rebate on the provincial tax.

Now I can think of one business off the top of my head in Kindersley, a large farming implement dealership that has a great number of farm folks from Alberta using their business. And they're wondering whether or not . . . and automobile dealerships are another one that have customers from Alberta coming into Saskatchewan, buying their vehicles there. But now they are not interested in buying it with the increase in the sales taxes, essentially because of the low margins in it . . . has driven it away. And we're wondering whether or not there's any consideration been given to a rebate on things of that nature.

**Hon. Mr. Tchorzewski:** — Well I'm prepared to be corrected on this, but as far as my understanding goes, non-residents purchasing a vehicle in Saskatchewan do not pay the sales tax. So there is no disincentive for the Alberta resident to come and buy a vehicle in Kindersley. If the dealership is a good dealership — and I suspect it is; I have no doubt about that — then certainly that's not a hindrance.

But as far as the matter of what impact that the sales tax will have, I remind the member opposite that in 1987 when there was a different government in office here, the sales tax was increased from 5 per cent to 7 per cent. That was a 40 per cent increase. And the oil service industry still remained in Kindersley. In fact I happen to know that to some degree during that period of time, it probably increased some degree.

So I know that there are these kinds of pressures. But to suggest that somehow it will drive or shut down businesses and industry I think is really not quite accurate.

**Mr. Boyd:** — Mr. Minister, are they not paying the tax — they're not paying it on the new purchase; I'm aware of that — but are they not paying it on the repairs and work orders done on vehicles?

**Hon. Mr. Tchorzewski:** — Well certainly they don't pay it on new cars. They don't pay tax on the service, as was the

case under harmonization. They will pay the tax on parts, yes.

**Mr. Boyd:** — Well that was what I was asking you, sir. Often they come in and have large work orders done in that automobile dealership or several of the ones in Kindersley as well as the farm machinery dealerships, large work orders done on it with a huge component of parts in it. And that's the concern that they have, that their customers now are not coming to them any longer. Is there any consideration given to an out-of-province rebate for that sort of thing?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, at this point in time, no, we have not considered that. But if that's one of the options that the member would like us to look at, we're prepared to look at that in the context of the fiscal framework of the province and the budget, and trying to determine what impact that will have not only on the financial situation of the treasury, but also what impact that would have on other communities who are surrounding the community of Kindersley.

I don't think there's a dealership in Alsask. I could be wrong. But I suspect in Alsask, which is not far from Kindersley, there are people who do repairs on vehicles. If you exempted this for the dealership in Kindersley it would have an unfair advantage to the dealership . . . to the garage operator in Alsask or some community to the east of Kindersley. So in the consideration of this proposal, all of that would have to be taken in consideration.

(1145)

**Mr. Boyd:** — Mr. Minister, I'm not asking specifically for an exemption for Kindersley. I'm asking for an exemption for out-of-province people coming into Saskatchewan to have that sort of work done.

**Hon. Mr. Tchorzewski:** — I've indicated that I'd be quite prepared to look at it and see what kind of implications that would have.

**Mr. Boyd:** — Well thank you. Now we're making some progress, sir. I think that the same sort of consideration should be given to the community of Alsask. I think we're talking about, Mr. Minister, in the community of Alsask, I think there's about four or five businesses that we're talking about. We're not talking about a massive funnel draining revenue out of Saskatchewan. We're talking about four or five small little businesses that are struggling to keep themselves going, that are seeing their customers eroding day by day into communities like Oyen in Alberta.

So I would think that if you're going to give the consideration to looking at something with respect to a rebate on tax or out-of-province people, you should also be giving that same kind of consideration to those four or five businesses in Alsask. Mr. Minister, you're not going to give them any consideration at all?

**Hon. Mr. Tchorzewski:** — I've said we're prepared to consider, I've said earlier — this is for about the third time now — any alternatives that are reasonable that fit within



the fiscal frameworks of the province and the budget that don't provide unfair competition to other parts, that don't create the other problem of moving the border in some way. Even if it's in an individual community, you still move the border.

The member may want to argue on behalf of one community, and as an MLA (Member of the Legislative Assembly) I don't deny him that or suggest that he shouldn't do that. As Minister of Finance, I have to look at the whole province as a whole. And if any suggestion fits within the interests of the total population of Saskatchewan, I'm prepared to consider them.

**Mr. Boyd:** — Mr. Minister, how many communities now have the tax-free status? Is there any besides Lloydminster?

**Hon. Mr. Tchorzewski:** — No, it is just Lloydminster and . . . Onion Lake? I'm not sure about Onion Lake but just Lloydminster, only on certain items — tobacco and gasoline.

**Mr. Boyd:** — What is the difference between the situation in . . . was it Cactus Lake? Onion Lake. Onion Lake different than Alsask?

Incidentally, Mr. Minister, the term Alsask comes . . . it's a border community. It comes from Alberta-Saskatchewan. That's how they come up with the name for the place. They don't see any difference than Lloydminster with respect to their situation, particularly that fuel dealer who's sitting right on the border. He doesn't see any difference from his situation to anyone else's situation.

You talked earlier about the difference where his competition is. Well his competition's about probably four or five miles down the road at Sibbald, Alberta. The next closest gas dealership would be there. So could you tell us, Mr. Minister, what is the difference between the situation at Onion Lake to Alsask?

**Hon. Mr. Tchorzewski:** — Mr. Chairman, the situation in Lloydminster is that here we have a city which is one community situated on the border, and that is the uniqueness of Lloydminster which does not apply to any other community near the border of Alberta.

**Mr. Devine:** — Thank you, Mr. Chairman. A couple of questions to the minister with respect to his tax increases.

Mr. Minister, one of the things that I want to get at is your rationale for the way you're taxing and tax increasing as opposed to harmonization, and that will be one sort of series of questions.

The second one will be if you will consider harmonization in the future and under what kind of conditions you might consider that, because I'm pretty sure that you would.

And number three, I'll be asking about various other kinds of measures that you might be able to take to get the equivalent amount of saving or the equivalent amount of revenue as you plan to generate from your sales tax increase plus some other tax increases that you have

there.

So first of all with respect to the taxes going up, could you explain to the House why you want to raise taxes, you thought you had to raise taxes? Given the fact that over and over and over again — and I can give you the quotes — you said that it wasn't necessary, the Leader of the NDP Party said it wasn't necessary, the newspapers carried the stories, tax increases would not be necessary. In fact what you obviously campaigned on were significant tax decreases.

And clearly I campaigned on tax increases with harmonization and you campaigned on tax decreases. And people make their judgements on that and we end up with a situation where you obviously decided that you were going to increase taxes, even the PST, which from '78 is probably 15 or 16 or 17 per cent, which is diametrically opposite to what you campaigned on prior to the election.

Now I'll just give you a couple of quotes. But maybe you can just describe to us why you are increasing taxes when you campaigned on cutting taxes. And that would be a good start. And then we could get into the role of how you might increase taxes and harmonization versus just generally sales tax increases or income taxes and other forms of revenue.

**Hon. Mr. Tchorzewski:** — Let there be no doubt about it, Mr. Chairman, that harmonization was a sales tax increase. It was a massive sales tax increase on the Saskatchewan consumer. It was a sales tax increase of \$440 million. One per cent increase on the sales tax as it is now in Saskatchewan will this year be an increase of \$65 million. That's a very significant difference. It does not have that great of an impact on the competitiveness of Saskatchewan business which this harmonization did; major impact on competitiveness because of the impact it would have on the consumer.

That was a major shift in taxation from some sectors in the economy directly to the wallet of the consumer. Let me make one other point of clarification, Mr. Chairman. At no time during the last election campaign did the New Democratic Party say that we would decrease taxes. We didn't say that because we want to be quite open with Saskatchewan people. We said that the finances of this province were in a crisis situation. Under those circumstances it was unrealistic to talk about decreasing taxes. We knew that and so we did not say that.

Now I want to say to the member from Estevan something which he already knows. The former government, in the budget that they refused to have this legislature pass said the deficit of this province would be \$265 million. That's what he said. As a matter of fact, we got a letter from the former minister of Finance in the midst of the election campaign saying that he had every assurance or he was prepared to give every assurance to the people of Saskatchewan that the deficit was \$265 million.

What they failed to say is that the government had \$250 million of dividends from the Crown Investment Corporation which wasn't there. They failed to say that in fact the deficit was going to be \$960 million rather than

\$265 million. And further to that we discovered that under existing tax systems and policies and programs that were in place, our deficit for this year would have been \$1.2 billion.

Now, Mr. Chairman, that would have increased the interest on the public debt by over \$100 million. That's unsustainable, unrealistic, and would have been a great disservice to our children and their children and future generations. You can't continue accumulating that kind of debt situation on what is already the highest per capita debt of any province in Canada. So the government had to make some choices.

First of all, we said we would find as much saving as we can on the expenditure side. And we cut something like \$344 million worth of expenditures, and the only province in Canada which actually reduced the expenditures of the government. Every other province saw the expenditures of the provincial treasury increase. Saskatchewan saw a decrease of 3.1 per cent other than the interest on the debt, which is a separate item.

But having done all that, Mr. Chairman . . . And members in the opposition say we went too far; we shouldn't have cut all these things; we shouldn't have cut these expenditures. But having done that, we found that our deficit would still have been \$850 million. And so we were forced then to look on the revenue side.

And admittedly, as difficult as that may be for any government to do, and it's something that the taxpayer doesn't like to see, we had to increase some taxes. And we did. So we were therefore able to bring the deficit down to \$517 million which is now manageable and has set a trajectory where we will be able to balance budgets of this province in the next four or five years. I think that's something that no government with any sense of responsibility could ignore in Saskatchewan in this time. Ignoring that would make the interest on the public debt grow in such huge amounts over the next few years that there would be no money left for some very major social programs which we fund today.

And so that's why we had to make the decision we did. We made them. Generally the public of Saskatchewan supports the initiatives of the government in getting the deficit under control. I don't think anybody . . . You would find very few people who would disagree.

And we have said to the people of Saskatchewan, our first and foremost commitment is to bring financial responsibility and financial management back into the government and the province of Saskatchewan, and that's what we intend to do.

**Mr. Devine:** — Mr. Minister, I'm going to read you your promises of tax cuts, live on television. And you just said that the PST was worth 400 million gross. You had an idea that that's what the PST was worth.

**An Hon. Member:** — Four hundred and forty.

**Mr. Devine:** — Four hundred and forty. All right. You know harmonization is worth that to the province. And it wasn't very difficult for you to figure out that's what

harmonization was worth to a Tory administration or an NDP administration. Correct? That's what it's worth.

And despite that, here's what you said and your leader said. He's on television and he's in a debate and he's talking to the public and he said, and I quote — this is in the debate between the three leaders — the PST is not going to be around after October 21 if we're in power. That means it's gone.

Now even if you give them the benefit of the doubt and say the expanded PST because that's what's harmonization, it's \$440 million. You've just admitted that. But he promised that it's gone.

Now in our budget which we talked and debated in this legislature, as you know . . . And we debated on it and we even voted on it. We even voted on it. We voted on it. Did we . . . (inaudible interjection) . . . Well we'll go back and I'll get you the records. We debated it for the 5 days or 10 days, had a vote on it, then went into estimates. That's a fact.

You said it's 265. The estimate was \$265 million deficit, which included harmonization. Now if you knew that harmonization was worth 440 million and you knew the deficit was 265, how could you promise tax cuts which you know would then run 4 or 5 or \$600 million in the hole, when you knew harmonization was worth that?

Now all right then, you've got to tell us what it is worth. What is it worth net then, harmonization? If it's net, it's 190 to \$200 million. Okay, now we've got you on a couple of other figures. If it's 190 to 200 million plus 265, you know then you've got at least 465 to \$500 million deficit with your promise of tax cuts. And your leader says on television . . . This is what he said: the PST is not going to be around after October 21 if we're in power. That was his closing statement.

You promised to cut harmonization and PST, and you knew it was \$200 million you'd add to the deficit. And you knew the forecast was for 265. But you add that up, and it's \$465 million easily. And you promised that. Now the minister sits there from his place and says . . . Well I won't read it. I'll let him say it, eh? Mr. Romanow says, the PST is not going to be around after October 21 if we're in power.

(1200)

Now I'm going to just add to this so that you know what you promised. And you knew that the deficit was forecast to be 265 with harmonization. You knew that. And I quote, September 21, *Star-Phoenix*: Romanow says he would cut, not increase, taxes. Now he knew that the deficit would be 265 plus harmonization.

The *Star-Phoenix*, September 21: The party has also promised to abolish the provincial flat tax. Moose Jaw *Times-Herald*, October 17, '91: But we're not going back to taxing people — Roy Romanow. This is a letter from Brian Oster, October 8, 1991, copies attached: The PST comes off October 21. Vote NDP.

Now everybody in the province had gone through the

exercise of knowing what harmonization was about. We debated it in the House. We talked about it. You spoke on it, because we had debate in the House here about our budget '91. So you knew what it was worth — 190 to \$200 million. Financial officials knew. I knew. You knew. And yet you still went on to say, oh we'll tell the public we won't have to have PST. We know the deficit's 265 including PST. And if we get rid of that, that'll be 465 million. Oh we'll tell them that if we clean up the management, we'll still be able to cut taxes. That's the fact.

The *Star-Phoenix*, October 12, 1991: Creating more jobs will also stimulate revenue without raising taxes, Romanow said. Now the candidates put that in their brochures. They were all over the province and indeed maybe all over the country saying: creating more jobs will also stimulate revenue without raising taxes, Romanow said. This is the *Star-Phoenix*, October 12, 1991.

So we have the two questions. Why did you decide all of a sudden that you didn't need the \$200 million when you were campaigning, and then after the election, you say, whoops, I guess we need 200, 300, 400 million? That's a pretty big question.

And then we're going to get back at the question, well why not harmonization, because it's much more logical than increases in income tax and sales tax without the rebate for businesses and farmers, and the co-ops and chambers of commerce and mining people and others have recommended harmonization and continue to recommend harmonization to you.

So clearly, what we get into on both those accounts is you knew that it would increase the deficit but you promised it anyway. And number two, you can't do harmonization because it would go against something that you campaigned on even though you know it would save up to \$5 million a year in administrative costs.

And often you mentioned something like, well there's Supercart and GigaText and it might have cost \$5 million. You know, you're losing 5 million a year just by not harmonizing. And your own officials will tell you that. That's why they recommended harmonization. And other provinces are. Manitoba's just getting finished with great co-operation on the border because of harmonization. So . . . (inaudible interjection) . . . well, we'll read you the release: co-operation and managing the results in Manitoba with the federal government, cross-border shopping — all of those things that would help.

So, Mr. Minister, I've read you one, two, three, four, five, six quotes and the exact verbatim from the Leader of the NDP Party during the campaign that said, and I quote: The PST is not going to be around after October 21 if we're in power. Now what does that say? That says there's no PST in Saskatchewan if you vote NDP . . .

**An Hon. Member:** — Oh, get out.

**Mr. Devine:** — Well I'll read it again so the member from Quill Lakes can kind of enjoy this. The quote is: The PST is not going to be around after October 21 if we're in power.

This is the leader of the NDP promising this during a live television debate: vote NDP and there's no PST.

And you know what? People across the province thought maybe he'd be telling the truth. They thought maybe he'd be telling the truth. If they said, if a leader of a political party said the PST is gone, maybe he'll tell the truth.

Well today we're in a Bill that's talking about adding PST. The provincial sales tax went up with the NDP, not down. For Heaven's sakes, it went up, not down. And the opposition said, we'll get the difference. Do you know what? There was no difference when the NDP were talking about it during the campaign. They said the PST is not going to be around after October 21 if we're in power. And that's what the NDP leader said.

And you know, senior citizens and moms and other people the next day went out and said, well I thought you said it was going to be gone. I'm sure the member from Quills ran into it. Seniors said, well you promised that it would go. But it's still there. And now the seniors know it's not only there, but it's up — it's up. And the NDP knew, the leader of the NDP knew, the MLAs knew, that if you take harmonization off, it's a couple of hundred million dollars that you're going to have to add to a deficit. And they did it anyway. Imagine that.

You see the problem the public has, Mr. Minister, with your logic that you found out that you had to have some money after the election.

So, Mr. Minister, I've read you five quotes where you promised or your party leader promised that you were going to cut the PST; you were going to have lower taxes, not tax increases.

Could you explain again, and to be a little bit specific, explain how you didn't know that harmonization was worth 190 to 200 million net. Tell us how you didn't know harmonization was that. Because I think we could even go back in the House here and look at the records when we talked about what it was worth. Because the member from Regina, your Associate Minister of Finance said, well actually harmonization makes sense; we should have one tax. That's what he said when we first introduced it. It was a couple hundred million dollars; it's one tax, administration.

So would you please explain to the House and to the public why you thought no harmonization, the loss of \$200 million, would be insignificant at a time when a campaign was on.

**Hon. Mr. Tchorzewski:** — Well I think, Mr. Chairman, we've just seen a display of why the member of Estevan is sitting on that side of the House today.

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

**Hon. Mr. Tchorzewski:** — In order to describe sort of the games that the member from Estevan is using with numbers and figures, Mr. Speaker, would be unparliamentary and so I will not get into that.

But let me just make some corrections for the record and

for the public who might be viewing this debate in the legislature today. The member from Estevan says that the net revenue for the province would have been 180 to \$200 million.

Well, Mr. Chairman, I have here, February 20, 1991, *Reform of Saskatchewan's Provincial Sales Tax* published by the Hon. Lorne M. Hepworth, minister of Finance under the former administration. And that minister said, Mr. Speaker, that the net revenue from the harmonized sales tax in 1991-1992 would have been \$105 million.

Point number one about being not quite accurate with the public of Saskatchewan or the legislature. Not 180 million or 200 million — 105 million. That's what your minister of Finance said.

Secondly I want to address the \$440 million. I heard the member from Estevan say that the \$440 million would have been of benefit to the treasury. That's what the member from Estevan said. That's not the case at all — 105 million. But the Saskatchewan consumer would have had to pay \$440 million even though the net benefit to the treasury would have been \$105 million.

Now if the member from Estevan wants to stand up and describe how that is a fair tax system to the consumer, I want to hear it, and I want him to correct why he was alleging a moment ago that the \$440 million is going to be a benefit to the treasury. His words in *Hansard* will show that to be the case.

Now, Mr. Speaker, Mr. Chairman, with a deficit of \$960 million, is what the deficit was in 1991-92, \$105 million off of that would have made a very insignificant impact on that deficit — almost negligible.

The member says, you promised that you would do away with the PST. Well, Mr. Chairman, let me clarify again. The New Democratic Party said we would do away with the provincial GST and that is the harmonized version of the PST. That was made very clear. The public knew that and that was published and that's the way the public understood it.

And the fact of the matter is, Mr. Chairman, I am proud to be able to stand up in the House today on behalf of my colleagues who are on the government side and say, we kept the promise to do away with the harmonized PST.

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

**Hon. Mr. Tchorzewski:** — Because it was not an appropriate tax and because the people of Saskatchewan said by a very large majority that tax has to go. And we did away with it. And we did away with it, Mr. Speaker.

Now let me correct the member from Estevan because he did a lot of inaccuracies here today. He said that the legislature passed his budget in 1991. Well hearing this from the former premier who ought to know how the legislature worked since he was the premier for almost 10 years, this surprises me.

The legislature passed a vote on the debate on the budget speech, the six-day debate. But the member from Estevan

knows that that does not authorize the expenditure of one single penny. Because the only way you can authorize an expenditure of money is if you pass an appropriation Bill after the budget debate, after Committee of Finance of all the departments, and that's what the member from Estevan, when he was the premier, refused to allow the House to do.

In June he adjourned the House. In June he fled from the House because he did not want the legislature to question his ministers about the budgets in their departments because he knew that although he had said that the deficit was going to be \$265 million, that number could not stand up to scrutiny.

And so instead of letting the legislature debate that and having members question the ministers and their departments, questions to which they would have no answers, he shut down the legislature, governed by special warrants, walked out from the House as they did for 18 days just a little while ago — now that they're in opposition they continue the same kind of an approach — and would not allow the budget to pass and instead waited several months, governed by special warrants without authorization from the legislature, until finally there was an election called for October 21.

Now, Mr. Speaker, I just would like the member opposite to think about the way he uses numbers and misinformation in the legislature because it doesn't do him any credit. I really want to say that with some sincerity. It doesn't do him any credit at all.

What impact would the harmonized PST have? Well I want to say to the House and for the record, in 1971 when PST, harmonized PST and the GST were brought in, retail sales in Saskatchewan declined by 7 per cent — 7 per cent decline. For 1990 to 1991 . . . I'm sorry, correction. In 1992 the Conference Board of Canada is predicting that there will be a positive growth in retail sales in Saskatchewan.

Now anybody who can look at those kinds of statistics and somehow think that the PST, harmonized PST, was of benefit to the economy has got to be dreaming in Technicolor. Seven per cent decline in retail sales is a major blow to the economy and in no way is it of benefit.

This year, 1992, even with the 1 per cent increase in the sales tax . . . I have an article written out of Ottawa, Canadian Press, in which the headline says: Saskatchewan leads rebound in department store sales in Saskatchewan today. You think we'd have this leading of the rebound of department store sales leading all of the rest of the provinces if we still had the harmonized PST as proposed by the former government? Of course not. We know that.

Mr. Chairman, I don't think I need to say any more. It was, as it was being proposed, a misguided, a misplaced, a mistime tax that this party in opposition said was inappropriate, and if the voters of Saskatchewan elected us we would eliminate it. We did. We eliminated it. And that we would provide fiscal accountability, open and honest government, and we'd get the financial affairs of this province back in order so that we didn't saddle our

children and their children and future generations with an ever-growing debt which they would have to pay and have to pay dearly for.

(1215)

Oh if only the former government had thought about that in the 1980s when they increased the debt of this province by over \$10 billion so that it is now the highest per capita debt in all of Canada. That's the kind of dilemma we face today, Mr. Chairman. And that's why today we have to increase the sales tax by 1 per cent.

If it wasn't for the huge debt that this province faces today, made mainly in the 1980s under a Progressive Conservative government; if it wasn't the fact that in this year we had to pay \$760 million in interest on this debt — almost all of it out of the province of Saskatchewan where it'll benefit no one — we wouldn't have to have any tax increase in this budget today.

Mr. Chairman, one other point I want to make. On November 1 when this government took office, we said we'd open the books. We did. We had independent evaluation of all of the finances of this province; the government put them aside to an independent commission. And that commission said that the finances of the province were in such bad state that there was no option but to begin to address them.

If the deficit had been \$265 million, as the former government alleged — if it had been — and if this government had done in its budget on the expenditure side, as we have done, a saving of \$344 million, even with the \$760 million in interest charges, we would have had a surplus of \$90 million. That's the difference. And \$265 million, had it been real, would have been very manageable, and we wouldn't have had to have any tax increases. It would have been very manageable.

But because there was some dishonesty in that number because the deficit was not 265, it was \$960 million, we have had to make some tougher choices, one of which we're considering in this committee when we're considering this E&H (education and health) tax Bill.

**Mr. Devine:** — Mr. Minister, all I want to get back at is I quote the *Star-Phoenix*, and the *Star-Phoenix* says, September 21: Romanow says he would cut, not increase, taxes. So you said you were going to cut taxes. You said, with a little improvement in management, we can cut taxes and balance the budget. That's what you said. And that's what he said on television, there'll be no more PST. You will cut taxes.

Now when you got elected, you increased taxes. And that's what we're talking about today. There's been a huge increase in taxes. Murray Mandryk in the *Leader-Post* today said: after the campaign, guess what happened.

... since (that time in) forming government (the NDP have) gotten away with one of the biggest tax increases, one of the largest deficits and one of the biggest political purges in the civil service this province has ever seen.

So you've got one of the largest tax increases, one of the biggest purges, and one of the biggest flip-flops in Saskatchewan political history. and I'm just asking you to justify your tax increases. You knew that the PST was worth \$190 million. You know it's 105 million until you harmonize the services and then it's \$190 million, which was due January 1. So come clean on all of that.

Now you campaigned and said, I don't need the PST — 265 plus harmonization is 4 or \$500 million in the hole; we'll promise it anyway. And then you said, but there will be no tax increases. And as well you knew without harmonization you're out \$5 million a year just in administrative inefficiencies. Because all the officials across Canada, our own officials here in Saskatchewan, and Finance said, well at least that makes sense — you've got one government collecting both sales taxes and you split it up. It makes sense — efficiencies.

The chamber of commerce recognizes that. The business community, the boards of trades, co-operatives, farmers, automobile manufacturers, and others are saying, well for Heaven's sake if you need the money to balance budget, they'll probably vote for a plebiscite to have balanced budget legislation — do it with harmonization, not with other taxes.

So you've got two problems that you run up against. Two problems. Number one, you said you didn't need tax increases and you certainly didn't campaign on them.

Now if I list all of the tax increases since the election and I put them on a brochure, you'd have trouble getting elected. You couldn't have your leader, the Leader of the NDP, going into a debate and saying: I'm going to increase income tax, I'm going to increase sales tax, I'm going to increase the surtax, and I'm going to increase this to the municipalities, and I'm going to increase this tax and this tax and this tax and this tax as of July 1. He wouldn't get elected.

But you didn't do that. You said and he said, and I quote: we will not increase taxes, we'll cut the PST — remove it — and we will reduce other taxes, and we'll balance the budget.

Now you knew in 1990-91 our forecast was 365 and you knew we met that forecast. And in 1991-92 we said it's 265 and harmonization, we can meet that. So if we met the one before, you knew after the debate in here . . . and your own inquiries said the books were always open — *Public Accounts* you can always get them from the year before. And that's what the commission said: the books are open. So you knew and the public knew that you needed harmonization and the equivalent to balance the budget to meet the 265 and a balanced budget for 1993-94 and you still went out and you promised no tax increases.

And now what do we have? We're sitting here debating a 16 per cent sales tax increase and other taxes that we've seen in your budget, when you promised the opposite. So you see the problem that the public has, and the members of the legislature, and even your own colleagues who are out there campaigning on tax decreases — you didn't tell

the truth.

You had to know then that it was 105 million if you harmonized with the things that we harmonized with. And then when you do services on top of that, it nets out to 190 million on an annual basis. And you said: oh we'll just wipe that out. We don't care if it's a hundred or \$200 million, we'll campaign no tax increases — in fact tax decreases.

So here we are, we're facing it. So we want you again to explain to the public why you changed your mind and you decided to, in this House, raise the provincial sales tax, raise income tax, and raise all these taxes when in fact you campaigned over and over and over again that you were going to eliminate the PST.

And I'll quote again: Romanow says he would cut — cut — not increase taxes, in the *Star-Phoenix*, September 21, 1991.

**Hon. Mr. Tchorzewski:** — Well, Mr. Chairman, first of all let me speak about management. In 1991 on November 1, after this government took office we discovered that the deficit was going to be \$960 million — not \$265 million as had been indicated by the former administration before the election — \$960 million. Well, Mr. Chairman, good management reduced that deficit from \$960 million to \$845 million in the short period of some six months. That's what good management is all about. And we accomplished that.

And I can tell you, Mr. Chairman, had the deficit been truly \$265 million as had been alleged by the former administration, by good management we would have been able to balance the budget this year. But it wasn't \$265 million, Mr. Chairman, it was \$960 million because the former government misled the public of Saskatchewan.

The member from Estevan talks about things we didn't need. Well we didn't need a debt of \$15 billion in Saskatchewan. We didn't need a debt which is the highest per capita debt of any province in Canada. Mr. Chairman, we didn't need a \$960 million deficit in 1991-1992. We didn't need an interest charge on the taxpayer of \$760 million, is what the taxpayer has to pay in interest alone this year.

But because we have those things created by the former administration, we have to deal with them. We have to deal with them through good management. We're doing that. We have to deal with them with program reductions and reduction in costs. We're doing that. We reduced expenditures of government by \$344 million. We have to deal with increased revenues, and therefore there has to be some increase in taxation.

Now, Mr. Speaker, the other choice is not to do this and run higher deficits. I can tell you and I can tell the public of Saskatchewan, this government is not going to run higher deficits. This government is going to manage the deficits and bring them down to a balanced budget in a very few years because there is no other choice. If only the former . . .

**An Hon. Member:** — Harmonization. Share offering.

**Hon. Mr. Tchorzewski:** — Well the member from Estevan says harmonization. Well, Mr. Chairman, if it wasn't such frivolous comments, I would spend some time commenting on it.

But I don't think it's really worth the effort to spend a lot of time commenting on it because harmonization was going to take \$440 million out of the Saskatchewan consumer. It had reduced the amount of retail sales by 7 per cent. It was damaging the economy in a huge way. It was a bad tax. That was not going to bring the deficit down when you have that kind of a blow on the economy that does nothing for reducing the deficit.

What we have done is responsible. It's necessary. It's the right thing. It's important for the future of our children. I stand by it. If the member of the opposition, the Leader of the Opposition disagrees, that's his choice.

He can stand and defend his harmonization all he wants. I invite him to do that. All I can say to him is that the public of Saskatchewan on October 21, 1991, categorically, without reservation said to him, we don't want it. We listened. We acted, and they don't have it.

**The Chair:** — Order. I wonder . . . order, order. I wonder if the members might keep their discussions down to a reasonable level.

**Mr. Devine:** — Mr. Chairman, Mr. Minister, that's the whole point. They don't have harmonization. They have uglier tax now and higher and higher. So we're just going to make sure the public knows what you've done.

Number one, you promised no PST, and you promised sales tax cuts and tax decreases. In the legislature you're now bringing forth all kinds of tax increases, and you don't even get the numbers right. You started out with \$440 million today, the PST, and says we only net a hundred. Now that's not accurate. It's like your crop insurance numbers the other day. They're not accurate.

I'll take the reform of Saskatchewan provincial sales tax, and if you look at it on page 16, it will outline all of the numbers. For '92-93, the total harmonization revenue is \$216 million. The family tax credit is 35 million, for a net revenue of \$181 million to the province. Now you knew that, annualized — \$180 million.

Now you knew that the harmonization from this thing that was published — and you were in the legislature — was \$181 million. You knew our forecast deficit was 265. So you put that with \$181 million, and you've got yourself over a \$450 million deficit, and you still did it. You still went to the public and said tax decreases. And you had this document. As a knowledgeable member of the legislature, you promised tax decreases.

Now, Mr. Minister, you've used 440, 105, and whatever other numbers you might have. I want you to talk about these numbers — page 16, 1992.

We implemented the sales tax in July, so you had half a year. You can't count that as a full year. The services

would be implemented in January. You can't count that until you implement them. The total for '92-93 is 181. And then it's on a full for '93-94 . . . would be whatever that full harmonization system is. That's the first.

Now the second thing is, you didn't talk about \$5 million in administrative efficiencies.

**An Hon. Member:** — That's not a tax increase.

**Mr. Devine:** — And the member from Swift Current says, that's not a tax increase. Of course it is. That's what we campaigned on. We told the truth. This is what's necessary to balance the budget. The NDP and the NDP member from Swift Current said no, no, we'll have tax decreases. And people believed him. They believed you, sir.

And now what have you got in here? You've got tax increases coming out our ears. Worse than harmonization ever thought was because harmonization saved you money efficiency-wise. There's no double taxation for small business and farmers. And you can stop the cross-border shopping. You can stop all of that.

And the consumers have a choice. You want to talk about consumers? Consumers now pay telephone rates and power rates and SGI (Saskatchewan Government Insurance) rates right up to here, and they have no choice because the NDP love monopolies. And you stick it to them. Now there's no choice at all. The consumer can choose when he's out there in the market-place, but not with you folks.

So harmonization made sense for people because of choice, because of efficiencies, because of business, because of the oil and the gas industry, because of manufacturing and co-ops and boards of trades and chambers of commerce. And what did you do to them? You told them you didn't need any taxes at all. You didn't tell them the truth. And this information was available in the legislature. You're going to throw out \$180 million and you know the deficit was forecast to be 265. That's at least \$450 million. And you say, I don't care, I'll tell it to them anyway.

(1230)

What the people want to know is why and how that man and your leader could promise \$180 million tax break during a campaign, knowing the deficit was forecast to be 265, and then come in this legislature and have tax increases like we've never seen before, as Murray Mandryk said today.

How do you look at your constituents and say oh well, surprise, we didn't know there was a deficit in the last 10 years. Come on. The *Public Accounts* were always open, the books were always open; the Gass Commission said they were open. You can add it up; you can look at it.

Why do you think we went into harmonization? Because we liked to see tax increases? No, we said to the public, if you're going to have them we recommend it, along with the associate minister of Finance. If you're going to have tax, have one tax — one tax. One tax. And businesses and

the province of Saskatchewan for business — small business and farmers — can be sales tax free. No double taxation.

Now you pay it twice. The farmer pays it when he's a consumer and the farmer pays it as a farmer. The business community pays it twice. They pay it as a consumer, then they pay it to run their business. If you want to be competitive in the North American market you at least want to reduce their taxes. Why do people shop in the States? Lower taxes for business. You know that. And the consumer can be reflected in that attitude and they go there to shop.

We said there will be sales tax free in the province of Saskatchewan. You get all your federal tax back and your provincial sales tax back, and you have a choice as a consumer. You can choose not to get it out of utilities. That's the most cowardly way to get it, is out of utilities. You've got the little senior citizen, you've got poor people, you've got others that have to pay a 30 per cent increase in utility rates. Ridiculous. And you won't help business at the same time.

There is no defence for this, gentlemen . . . ladies and gentlemen, no defence at all. You didn't tell the truth at campaign time. You're getting caught with it now. And it's a bad tax. It's a combination of ugly taxes across the board and people are deceived. They said, you did not tell the truth. And you knew it was near \$200 million, and you still said, we'll do it to get elected. And you'll tell your own constituents that.

Our constituents are out there talking to your people and said, well we kind of knew, but you know, we'd get elected. Anything to get elected. Because you would not get elected on this as a brochure. So, Mr. Minister, you knew this information.

Mr. Minister, would you comment on this piece of paper that you were aware of because you were in the debate, that said it's \$181 million then to '92-93 and how you could just say we don't need that amount of money.

**Hon. Mr. Tchorzewski:** — I'd be more than pleased to comment on that information, Mr. Chairman, because it gives me a chance to about maybe the seventh or eighth time correct the member in some more misinformation he's provided to the House. And he does it while he's reading out of the same piece of paper as I have before me. Now it takes a lot of gall to do that, Mr. Chairman. It takes a lot of gall.

Oh, I don't know what it is. But it's not \$180 million and the member from Estevan knows that. And if he doesn't know that, then I think that speaks for itself. The fact of the matter is, Mr. Chairman, and I want to make it very clear to the viewers out there, that the net in an annualized basis when you had full year impact would have been \$150 million, not 180.

**An Hon. Member:** — Then why have you gone from 105, 440 to 150?

**Hon. Mr. Tchorzewski:** — Oh well, see, the member opposite has a confused mind. Because in 1991-1992 the

net gain to the treasury would have been \$105 million. That says it right in the paper he's got in front of him — from harmonized PST, from that component.

**An Hon. Member:** — What page are you on?

**Hon. Mr. Tchorzewski:** — Same page as you are on, Mr. Member from Estevan, page 16 — \$105 million on the harmonized PST. Now what the member from Estevan is doing is adding into that corporate tax increases and other tax measures; playing that kind of a game, Mr. Chairman.

And he's done the same thing with the \$180 million figure. He's added up all of the numbers, some of which have nothing to do with the harmonized PST, which is not \$180 million on an annualized basis, it's \$150 million. Because he's added also into that the corporate tax increases and other tax adjustments and higher income surtax increases and so on, all three of which this government has implemented in this budget.

And so, Mr. Speaker, the net in an annualized basis revenue from the PST — even though the consumer would have paid \$440 million — the net revenue to the treasury would have been only \$150 million. And the member from Estevan either knows that and is trying to twist the numbers for his own political argument, or doesn't know that. And if he doesn't know that, then this is a rather interesting debate.

The member from Estevan also says that everybody knew what the deficit was. He says the *Public Accounts* said it all. Well the Provincial Auditor said that he couldn't report on 50 per cent of the expenditure of the former government because the former government wouldn't provide him the information he had to have in order to provide that information.

So I say, Mr. Chairman, nobody knew what the size of the debt of the province of Saskatchewan was because how could anybody know when the Provincial Auditor couldn't audit 50 per cent of the expenditures that the government was making. Not my words; the Provincial Auditor's words — a servant of this legislature, Mr. Chairman. It is on record in the Provincial Auditor's report.

No one knew the serious financial problem of the Crown Management Board. No one knew. The legislature didn't know, the public . . . Oh, the former premier knew, but then he wouldn't tell anybody. No one knew that the financial debt of the Crown Management Board was \$2.9 billion, a large amount of it which was not serviceable, did not have any income-earning assets in order to pay the debt — two reasons why it was not possible to know what the deficit was.

Let me give you a third one, Mr. Chairman. All good things come in threes. Even in the middle of the election campaign, the former government was running up hundreds of millions of dollars of additional debt by making decisions in an election which no responsible government ought to make — decisions that should have waited until the election was over so that a new government, in case there was a new government, had the ability to make those decisions on behalf of the people

of Saskatchewan.

The former premier decided he was going to blow off several hundreds of millions of dollars for some ideological or scorched earth reasons, and sold then Cameco shares at a loss, \$166 million, now part of the debt; sold off additional Potash Corporation shares, part at a loss — \$442 million lost in the Potash Corporation privatization.

All of those things happening in the middle of an election campaign while the member from Estevan was going around the province saying, our deficit is \$265 million. That was deception of the worst kind, Mr. Chairman. That's one of the reasons why the people of Saskatchewan decided they wanted open, honest, and accountable government. They chose. I think the members of the opposition should learn one very fundamental thing about politics and public life. The voters are always right.

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

**Mr. Devine:** — Mr. Speaker, Mr. Minister, the voters are always right. They believed you when you said you were going to cut taxes. They believed you. And you didn't tell them the truth. And now they're saying, well what happened to the tax increases that the members campaigned on? For the record, so that you know and the public knows, on page 16, sales tax harmonization at 7 per cent is \$140.2 million in '91-92, because we initiated it halfway through the year; and for '92-93, it's \$185 million.

**An Hon. Member:** — Not true.

**Mr. Devine:** — That's what it says, the top line . . . (inaudible interjection) . . . Well, Minister, read . . .

**An Hon. Member:** — Read the rest of it . . . (inaudible) . . . tax credit.

**Mr. Devine:** — All right. And then he goes on to say, corporate taxes are 3.8 and 15. Other adjustments are there, high income. Total harmonization revenue — what does that say? Total harmonization revenue is \$216 million. Now we provided low income people . . . low income people got a break under harmonization. They don't get a break under you guys. You charge them for utilities and charge them for all kinds of things. We gave them a break, and there was a family tax credit of \$35 million that went out to low income people. You took that away too.

Imagine that. You increased taxes for the poorest of the poor, double taxed the businesses, and at the same time didn't tell the truth to the general voting public. So we want to go back to this. Corporate tax increases, other tax adjustments, high income surtax increases. When you look at services and you look at harmonization, that line says total harmonization revenue — \$216 million. Just the revenue itself in sales tax harmonization was 185.

So, Mr. Minister, you knew that it was at least \$185 million, and by the time you finished with services, up to 216 million. And you could have made the choice to pick



on the poor and not even give them a family tax credit, and you could have had it in the ballpark, a couple hundred million dollars. And you knew that. And you said, we'll promise no tax increases anyway. That's what you promised.

Now, Mr. Minister, you knew. We debated this. We used it. You had all these figures. Now you quickly got off the tax increases, and you were saying, well but we didn't know there was a debt.

Listen to the Gass Commission. Quote: Blakeney used the same accounting principles and the figures were correct. The main reason for the increase in deficit is due to accounting principles, and under the accounting principles, the main element is unfunded pension liabilities. End of quote.

Well, well, well, Mr. Minister, you used the same accounting principles. The premier . . . Allan Blakeney used the same principles. The books were always open to look at. And then you went and said well, but no, no, that's not the problem. The real problem is associated with the fact that the Crown corporations weren't doing well.

Well how about the net income and the retained earnings in the three major utilities in '91-92? Was it 2 or \$300 million, \$400 million? Did you talk about that? No. So that isn't fair. The privatizations, you'd say, oh, but it's below book value. They're out there trading in the market below what we paid for it, below what the NDP paid for it. Well, well, well, well. What does that tell you?

**An Hon. Member:** — You sold at the wrong time.

**Mr. Devine:** — No, in the 1970s you bought it at the wrong time and you were nationalized and you got it in the ear. Every NDPer knows that, that you went out to nationalize the potash industry, borrowed money at 20 per cent interest rates in the United States and paid way too much for it, brought it home and put it on the books, and say, well look at the house of potash that we bought. Holy smokes!

And nobody had to question it because the companies got you. You just borrowed money from Americans and paid off Americans at really high prices. Then you put it down on our books and said, look at the asset that we have on the books. Well when you put a little bit of it out into the market, the market says, well really, the NDP made a big mistake, paid way too much. This is what it's really worth.

Well everybody knew that. It's like your land bank policy. It's like your other nationalization policies. It was the biggest mistake in provincial investment history in the country of Canada. Every time you nationalize and go in there and try to buy them out, you think they're going to give it to you? You got charged all kinds of money and then you put it on the books as if it was worth that. What fools. Every accountant, every financial market, everybody else in North America says, what a mistake. What a mistake that was.

Now if it isn't in the Crowns . . . because the utilities are

making lots of money under us, and then you even raised taxes on the poor. And it isn't in the privatizations because those share offerings are doing well, thank you very much. And as those shares do improve over time, your asset value improves. You know that because as they trade up, the stuff that you own trades up.

**An Hon. Member:** — The shares go up.

**Mr. Devine:** — Exactly. Saskoil is doing well. Cameco is doing well. Potash is doing well. Westbridge, IBM, you know, they're on the market. And as those shares improve obviously your values improve. You're still a shareholder in those and you can measure it. It's not just your fictitious number.

The public can actually buy and sell them to know what's going on. And believe me there's no NDP patronage now in Saskoil, NDP patronage in the potash industry, NDP patronage in the uranium industry, and NDP patronage in the computer industry. You're out of the patronage business because it's in the public sector and it's publicly traded. And the public says, well, thank goodness; now if they'd only told us the truth at election time we wouldn't have to put up with these tax increases.

And then what did you do? To justify these awful tax increases, you bring forward the worst accounting principles that nobody will recommend. You go back and look at any loss or every loss you can find over the years in SEDCO (Saskatchewan Economic Development Corporation), the bus company or something else, and you bring it all forward and you lump into 1991; don't implement harmonization, don't bring the retained earnings and the profits of the utilities together and say: well surprise, there's a \$900 million deficit. Oh my gosh, look what these guys did.

(1245)

Isn't it . . . I mean it's a farce; it's a sham. Nobody believes you, Mr. Minister. You can't play all these games. Only the uninformed would be fooled by this. So we're going to get into it in these estimates and in these sales tax increases because you didn't tell the truth. Your deficit is a sham. It's accrual accounting. The big-bath theory for 20 years; bring it forward and take it in one lump sum, and now go cash from here on.

If you used the same accounting system as the Gass Commission said, the deficit isn't nearly as high. And this false, principal accrual accounting and then cash accounting to cut it off in the middle is nonsense, unacceptable, unprofessional. This is just to cover up huge tax increases when you got elected on tax decreases. That's the point.

And you know we met our deficit targets in 1990-91 right on. Publicly, there they were, 365 and they're there. What were they? And in 1991-92, 265 including harmonization and share offerings. And you ask, well how can Crown corporations do this? If you allow, for example, TransGas to be publicly traded, you save yourself a couple or \$300 million in borrowed money. It's equity.

And your leader said in the debate, no, he's not against share offerings. But why don't you exercise some of that. So you're just politically hidebound to this old philosophy, well I can tell a little fib but gee I can't do the smart thing in harmonization because it would go against our political campaign. Harmonization makes money; it cuts costs; it's good for business; we've become sales tax free — not only the Alberta border and the American border and the Manitoba border, but across Canada. It makes us money and allows you to balance the budget, and you won't do it.

And on top of that, Mr. Minister, as Mandryk says today, you've got all these ugly tax increases and you've got a \$517 million deficit, which is higher than last year and higher than the year before and higher than most years in the last 10 years.

And on top of that, with these ugly tax increases, unco-ordinated, unprocessed, no efficiencies, your credit rating is going down and down and down and down and down. In fact it's caught up with you because you go to New York and the people say, well if you want us to believe all this stuff, maybe we will. You want all this accrual accounting to pile up and we're going to have to take the hit now and the market value and the book value and eat all that in one fell swoop. Well we will. And it's going to cost you. And it costs the taxpayers.

Now the consequences of you not telling the truth at election time are going to be discussed in this legislature because you, Mr. Minister, were right in there. You said, we're going to cut taxes and a little bit of management lets us balance the budget. That's what you said. And you said, if we just didn't do the GigaText or we didn't do Supercart we'd have \$5 million here and 5 there.

The efficiencies at harmonization alone are \$5 million a year and you've just thrown them out the window. So that's a GigaText every year on your shoulders because you won't harmonize. And the business community, the chamber of commerce, just wrote you.

Here's the chamber of commerce — represents small business in the province of Saskatchewan — it's June 5, 1992. What do they say to you, Mr. Minister? Have you read the letter? Well I guess you've read the letter. The chamber of commerce wrote you. What does it recommend, Mr. Minister? The smart thing to do for small business in Saskatchewan — farmers and co-ops — is to harmonize. No, it can't do that.

Well they got the letter. What did you write back and say? it's too complicated? They say no, one tax is simpler. Consumers are going to be in trouble? No, no, consumers have a choice, it's better than utilities. They're getting ripped with utilities. Every senior citizen has to pay higher telephone rates, power rates, utility rates — they have no choice. And you get them.

How about a competitive advantage in the North American market? Our exports to the United States are at an all-time high and we're trying to compete in potash, oil, uranium, coal, gas, processing, livestock marketing, processing meat. And what do you do? You increase their taxes, not decrease them. They could have been sales tax

free. And you said no.

Sales tax free. They get all their GST back and all their E&H back — 100 per cent. The average guy buying a half-ton truck doing business or farms would pick up a \$3,000 cheque on a \$20,000 truck — 14 per cent back, 14 per cent back. They get all their GST and all their E&H back and you said, no, we won't do that. We will reduce taxes on top of the reduced PST.

And do you know what you did? You didn't tell the truth. And we're in here today finding out that you have no rationale for this except to say, well we found the Crowns weren't doing as well. Well the utilities were doing very well, thank you — \$400 million in taxes and retained earnings.

And you had to balloon the market versus share value stuff and bring it all forward to say, well . . . And it's not even a permanent impairment, and you know that. As prices go up, you can make money. The government can make money. You might end up with a profit, not a net book loss.

Five years from now what are you going to do? You're going to . . . well we'll lower taxes now because we've got a net book gain; the prices are up and the value of the Saskatchewan shares are doing well due to good management. We can just hear it all now — nothing to do with good management. Interest rates are at 6 or 7 per cent. Retail sales will reflect that. It has got zero to do with your tax increases. Who do you think you're kidding?

So, Mr. Minister, we just want to know how you can say to the public and say to all your constituents, well we just had to increase taxes, when you promised the reduction of taxes. And secondly, you've got to explain over and over again why harmonization is bad for small business and farmers and co-ops. Why is that true? And three, why is a choice bad? Could you explain the advantages to senior citizens of having to pay 30 per cent increase in utilities versus harmonization?

Would you just . . . would you go through those three questions again so we can have some understanding of your logic in justifying this huge fib or untruth or falsehood that you perpetrated on the public last fall and now it's caught up with you and we have to sit here in this legislature and watch you agonize through tax increases.

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

**Hon. Mr. Tchorzewski:** — First of all, Mr. Chairman, all I'm going to do here is correct some of the misinformation the member has been talking about. First of all, under the harmonized Progressive Conservative PST, senior citizens had no benefit. Low income senior citizens had no benefit because the benefit was that people with children . . . senior citizens were left out and were having to pay the huge burden of additional taxes. And if the senior citizen wanted to live in their own home and that home needed some repair . . . for that member, who is the former premier, Mr. Chairman, was saying to the senior citizens that that seniors . . .

**The Chair:** — Order. All members had the opportunity to

enter into the debate, but we can only entertain one person at a time. And that goes for the member from Estevan and the member from Quill Lakes.

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Chairman. As I was saying, that the member opposite is exaggerating once again. He knows very well that senior citizens were among the hardest hit with the harmonized PST that the former government brought in. The senior citizen who wanted to live in their home, for example, needed a repair done on the home, that senior citizens would have had to pay a 7 per cent provincial sales tax under harmonization for the labour even of the work that's done on that home to bring it to the status where they could continue to live in their community and their home. Just to give you one example, Mr. Chairman — a great increase in the costs.

Now I want to make some other corrections. The member opposite says that the accounting principles used in the 1970s and the 1980s were the same. He's right. For the first time today he's right. Those were the same accounting principles, but there was a difference. The difference is that in the 1970s all of the expenditures of the government was publicly known. In the 1980s the Provincial Auditor has reported that he could only report on 50 per cent of the expenditures of the government. That's the difference between accountability and no accountability, Mr. Chairman.

The member opposite said that the sale of the Potash Corporation of Saskatchewan was such a great thing. Well he knows, and there's documentation that has been made public, that his own advisors who he hired advised him in writing that the Potash Corporation should yet not be sold at that time because it would be a great loss of money. And in spite of the advice that was given by some of the best experts in North America, he decided to sell it and lose it.

Mr. Chairman, during the election campaign the former premier sold PCS (Potash Corporation of Saskatchewan) shares at a loss — \$18. Now any . . . it doesn't take much of a business mind to understand that you have to sell at a right time. If he had sold them today, he would have got \$25, wouldn't have had the loss. Cameco shares, the former government sold in the middle of the election campaigns at 13 to \$14; today they're \$17. Made no business deal.

Well listen to this, Mr. Chairman. The member from Estevan says, good. Well that shows the business acumen of the former premier of Saskatchewan who says it's good for the people of Saskatchewan to sell shares at \$13 for Cameco and take a loss of \$166 million which the taxpayer has got now to pay, instead of selling them at 17 when the taxpayers of Saskatchewan could have made a profit on them. Now if that's good, Mr. Chairman, I'd like the member from Estevan to explain it.

The member said opposite that his deficits were on target. I remind him of 1986. 1986, before that election, the former government said the deficit was going to be \$365 million. Immediately after the election, his minister of Finance had to announce to the media it's not \$365 million; it's \$1.2 billion. And when the press asked them, well how could you make that kind of an error, he says,

well it's only politics.

Well, Mr. Chairman, what a shame. That's not what politics is supposed to be all about. Politics is supposed to be about accountability, about open and honest government, about deficits that are honest and deficits which are not going to jeopardize the future of our children and their children down the road.

I want to correct the member on one other point, Mr. Chairman. He said that this budget is on accrual accounting. This budget is not on accrual accounting. This budget is a modified cash, as always has been the case in Saskatchewan for the last number of years. Accrual accounting won't come into place until 1993-1994.

So I simply ask the member opposite, deal with accurate information and accurate numbers because I think the public has a right to get that kind of an approach by elected representatives in this Assembly.

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

The committee reported progress.

The Assembly adjourned at 1 p.m.