

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Britton: -- Thank you, Mr. Speaker. Mr. Speaker, it's again my very great privilege to introduce to you and to the rest of the people assembled here today a group of students from McLurg High School in Wilkie. They number 18, Mr. Speaker. They are accompanied by their teacher, Mr. Lane Petterson; chaperons, Eve Hawkins and Darlene Jensen, and the bus driver, Joyce Swidrovich.

Mr. Speaker, it's not too often I get the chance to welcome students from the far side of the province, so it's really a pleasure to welcome you here. They're in the east gallery, Mr. Speaker, and I would ask all the members assembled to help me give them a real good, warm welcome.

Hon. Members: Hear, hear!

Ms. Hamilton: -- Mr. Speaker, it's my pleasure to introduce to you and through you to the members of the Assembly 28 grade 4 students that are located in your gallery. They are here this morning from St. Marguerite Bourgeoys School in Regina Wascana Plains. With them also is their teacher, Betty-Ann Faber and chaperon, Gwen Sperlie.

Mr. Speaker, I will be meeting with them for pictures at 11 o'clock on the steps and then to talk with them and answer any questions they may have in the members' dining room. I would ask the members of the Assembly to join with me in a warm welcome for the members of St. Marguerite Bourgeoys School.

Hon. Members: Hear, hear!

Hon. Mr. Penner: -- Thank you, Mr. Speaker. I would like to introduce a group of students to you and through you to this Assembly. These students are from St. Joseph's School in Swift Current. There are 26 of them here this morning. And I'd like to welcome them here together with their teachers. Their teachers are Terri Dobrowolski and Kelly Hammond, and their chaperon is Mr. Perez.

And I'd like to have the Assembly join me in welcoming these students from St. Joseph's School in Swift Current. I will be meeting with them at 10:30 for pictures and I will be talking with them after that.

Hon. Members: Hear, hear!

Mr. Martens: -- Thank you, Mr. Speaker. On behalf of my colleague, the member from Rosthern, I want to introduce to the Assembly, 41 students from grade 8 and grade 9 from Osler, Saskatchewan. And I want to welcome them to the Assembly. Their teachers are Glen Osmond and Elaine Borden, and their chaperon is Peter Braun.

I want to extend to them a very warm welcome and have

the Assembly provide that welcome together with me. Thank you very much.

Hon. Members: Hear, hear!

Mr. Lyons: -- Thank you very much, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and to all members of the Assembly here today an out-of-province visitor. Miss Deborah Milville is a laboratory technologist from Edmonton, Alberta. She's seated in the west gallery. Deborah, as I know, is deeply involved with international development and environmental issues and she's seated today with her fiancé Brian Gibbon. Brian is a researcher here in Regina at the legislature for our caucus.

And I'd ask them to stand and ask all members to give Deborah a warm welcome today, and to congratulate them on their betrothal.

Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. I would just like to add my warm good wishes to those from Swift Current today.

As most of you know, my brother did represent the Swift Current constituency as a member of this Legislative Assembly in the 1970s, and I do believe that this was one of the finest cities that anyone in the country could have grown up in. I'm very, very pleased to see them here today.

And not only was I born and raised there, but Diana Melinkovic was born and raised there, Sandra Mitchell spent her high school years there, and some extraordinary people, some of the finest people in the nation, poets and others. So it's just great to be able to have them in our Assembly today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Effect of Tax Increases

Mr. Swenson: -- Thank you, Mr. Speaker. Mr. Speaker, this morning my question is to the Minister of Finance. Mr. Minister, one of the first things that you did upon becoming Minister of Finance was force your officials to come up with a study that said harmonization would have cost 7,000 jobs to this province and lost millions of dollars in revenue to the provincial government even though you knew that the downturn in the Canadian economy on consumer spending was 7 per cent, the same as it was in Saskatchewan.

Mr. Minister, seeing as you saw fit to use the government for such political purposes, have you also seen fit to study the effects of the massive tax grab that you perpetuated upon Saskatchewan people yesterday, and what you are imposing on the people? Would you now, sir, agree that that was a massive tax grab yesterday?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Thank you, Mr. Speaker. Mr. Speaker, the biggest concern that faces Saskatchewan people today is the huge amount of debt accumulated in the last 10 years which is going to strangle this economy. If the government ran the deficit, which was the deficit that the former government would have had to run with their policies and their tax regime, we would have had a deficit of \$1.2 billion. Mr. Speaker, with a deficit of \$1.2 billion there would have been no economy because we would have not been able to finance that kind of a deficit.

The tax measures in the budget that was presented here yesterday are progressive tax measures. They are by and large based on the ability to pay. Mr. Speaker, a family of four with a combined income of \$40,000 . . .

The Speaker: -- Order, order. I will not accept the interruptions that are going on at this particular time. I ask members -- I don't think there was any interruptions when the member asked his question -- and I ask the members not to interrupt when a minister is answering or when someone is asking a question.

Hon. Mr. Tchorzewski: -- Mr. Speaker, as I was saying, the tax measures that were introduced in this budget, the deficit reduction tax measures needed to deal with the deficit created by the members opposite, are based on ability to pay. A family of four with a combined income of \$40,000 will have a monthly deduction of \$18 a month. When all things are considered that is not a very significant impact.

But those were necessary, Mr. Speaker, because we're here to manage. We're here to rebuild . . .

The Speaker: -- Order, order. Next question.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. Question to the same minister. Mr. Minister, you were very quick off the mark to try and cover your political tracks with your study on harmonization. Sir, you must have known the negative impact that this tax grab would have on Saskatchewan people.

The question I place to you is, table that study in the legislature of Saskatchewan so that the people of Saskatchewan can know that you are simply not covering up your political tracks.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Thank you, Mr. Speaker. The business community has told this government that deficits, as members opposite know, are nothing more than deferred taxes. What we have done by bringing this deficit under control and starting to reduce the deficit each and every year from here on in, is restore confidence in the investor community and the business community because we have got that under control, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- What the members opposite, including the former premier, never told the public of

Saskatchewan is that the harmonized PST (provincial sales tax) with the GST (goods and services tax) would have taken \$440 million out of the consumers' pocket but only would have provided a net revenue of \$180 million to the treasury. That would have been damaging to the economy because that was not progressive.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. Question to the same minister. Mr. Minister, you told the people of Saskatchewan that 7 cents on a hamburger would cost 7,000 jobs and reduce government revenue. Mr. Speaker, if the minister has been telling the truth to Saskatchewan people, then it's clear that 8 per cent on everything else is going to cost 10 times as much and do 10 times as much damage.

Mr. Minister, to follow the logic that you've put before this Assembly -- and I ask the question to you, sir -- if your earlier study was right, then why not eliminate the 8 per cent tax on everything else, create hundreds of thousands of jobs and balance the budget? Why don't you follow your own advice?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Mr. Speaker, that kind of logic and mathematics is exactly the reason why we have a \$15 billion debt from the Tories on that side of the House.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Not very difficult to figure out what the members opposite did when they were in the government to bring us to that situation. Mr. Minister, the tax that you had proposed, which was the harmonized PST, was a regressive tax. It was destroying the restaurant industry. It was destroying the service industry. It was destroying people involved in the selling of books. It was destroying jobs. The tax measures which we have in this budget are a 1 per cent reduction in the income corporate tax for small business. There is a phasing out of the E&H (education and health) tax on consumables and manufacturing and processing. That will guarantee jobs in Saskatchewan. We'll make those industries competitive with our neighbours around us and in fact create jobs for the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. My question is to the same minister. Mr. Minister, it seems you will say to people whatever seems to satisfy your political whimsy. The member from Riversdale, the Premier of this province, and many members in your caucus solemnly promised people six months ago there would be no new taxes for at least four years under a New Democratic Party government. We're now the most taxed province in Canada.

Mr. Minister, I believe that you can produce studies that you could table in this legislature that will show the harm that these taxes are doing to Saskatchewan people. Mr. Minister, a 10 per cent tax grab on personal income tax takes away the ability of anybody in this province to buy

books or hamburgers or clothing or anything else. Sir, table those studies for this legislature.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Mr. Speaker, I said earlier that in view of what the members opposite did to this province in the last 10 years and in view of how they misled the public with the information that they provided about the deficit -- \$265 million, ended to be \$960 million -- in view of all that, Mr. Speaker, this government has been faced with a situation where we've had to take some very serious measures to begin to get that under control.

If we didn't do what we're doing today, or if the members opposite had been re-elected, in the next four years we would have interest payments each and every year of \$1 billion a year, Mr. Speaker. And that is unrealistic and the member from Thunder Creek knows that.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. My question is to the same minister. Mr. Minister, if you didn't do a study, if you didn't do your job as Finance minister, Mr. Minister, then you have been misleading the Saskatchewan people on the differences in taxes. Show us this open government that you talk about all the time. Show us the tables, the comparisons that show us how many jobs will be lost. You said yourself last night there would be jobs lost. How many small businesses will go bankrupt? How many families will leave this province and not spend their money here?

Mr. Minister, if you cannot do that, then it's simply a litany of broken promises from a short six months ago. Mr. Minister, will you do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Mr. Speaker, during the last election campaign we said to the people of Saskatchewan, and we put it in print and distributed it to every household in this province, a commitment. The commitment we made was that we would make things first things first, a common sense financial management; we would get the financial affairs of this province under control.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- We would open the books. We would bring about the kind of accounting practices that would make government accountable for every single cent that government spent of taxpayers' dollars. All of this is being accomplished, Mr. Speaker.

The member from Estevan talks about balanced budgets that the former government would have brought about. What a joke -- what a joke. That is the member who was the premier, Mr. Speaker, who took this province from a debt accumulation of \$3.5 billion, all self-liquidating, and left our children and our grandchildren with a burden of \$15 billion of debt which we now have to accommodate.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, your Minister of Finance has shown his ineptitude in designing this budget this morning. On top of that, Mr. Premier, yesterday in the budget a quick calculation says that on a pack of cigarettes in the cafeteria in this Legislative Building there is 82 cents in tax. Mr. Premier, if the official opposition had knowledge of that last week, which they did, how many other people in this province also had knowledge of that?

Your Premier has been inept in designing this budget, he has been inept in that he has leaked the results of it, and I say, Mr. Premier, that people have taken advantage of that. Mr. Premier, you have a duty to the legislature in Saskatchewan today and ask for that minister's resignation.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Mr. Speaker, let me make something to the members opposite very clear. We're not here to play political games. We're here, Mr. Speaker -- and the expectations of the people who elected us are that we are here -- to manage. We are here to rebuild this province. We are here to guarantee a future for our children. We don't have the right to burden them and their children with the kind of financial mess which those members created and we inherited because of what they did.

We will attempt to deliver on that commitment, Mr. Speaker, because the role of governments is not only to look after today, but to guarantee a future for future generations, and that's what we intend to do, Mr. Speaker.

Some Hon. Members: Hear, hear!

Cancellation of Saskatchewan Pension Plan

Mr. Boyd: -- My question is to the Minister of Community Services, Mr. Speaker. Madam Minister, last December, on December 9, 1991, you said in this House: the pension plan will remain in Kindersley. Yesterday I spoke to all of the employees at the pension plan who had just gotten their pink slips from the NDP (New Democratic Party) government. These people, Madam Minister, were the same people you assured just five short months ago that their future was secure. Considering yesterday you scrapped the entire program, don't you think these previous remarks are utter hypocrisy, Madam Minister? How can you turn your backs and tell these people you didn't mean what you said? How can you tell them they no longer have their jobs?

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: -- Mr. Speaker, this province has been left a legacy of debt that's going to take a long time for everybody in Saskatchewan to work through. There is no doubt that scrapping the pension plan will have an impact on many people, especially the workers in the pension plan.

The Speaker: -- Order. Will members please not interrupt. Well if you wanted question period, fine, but I'm not going to allow the continuous interrupting. That applies to both sides.

Hon. Ms. Carson: -- When we began the budget preparations for this new budget we looked at every program, and we realized that some things were going to have to go. There is an \$80 million liability attached to the Saskatchewan Pension Plan. It doesn't make any sense if we're going to scrap the plan to leave the workers in Kindersley.

Had we been able to keep that plan, of course we would have left that corporation with its headquarters in Kindersley, but unfortunately like many things we've had to make tough decisions, and this is one of the tough decisions that we have to make today.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- When we speak about underfunded pensions, does that mean, Mr. Premier, today, that you will cut your own, your own personal pension, which is also underfunded to the tune of \$1 million. Is that what that means today, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Mr. Speaker, if the members opposite would look at the budget speech and the budget documents, they will find that this government has made a commitment to establish a commission to review the unfunded liability and the governance of pensions in this province which is going to recommend to the government how we deal with that problem.

That does not in any way excuse the fact that those members opposite developed in haste a pension plan which was poorly targeted, poorly funded, and would have added within the next three years another \$80 million to the unfunded liability of the pension plans. Under the fiscal circumstances the province faces today, the people of Saskatchewan and the taxpayers of Saskatchewan cannot afford it. And as difficult as it was, we have had to eliminate that program.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. The Premier sits there with a \$1 million unfunded pension of his own -- his own personal pension -- and he talks about people that shouldn't have pensions. I find that unbelievable.

The pension plan -- the Saskatchewan Pension Plan -- was targeted to home-makers, farmers, low income people, and self-employed people who didn't have a pension in this province. Those are the people that that program was directed to, Mr. Premier.

I ask you today, will you cut your own personal pension, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- I think, Mr. Speaker, the member opposite needs to do a little more work in his research. He will find, if he did that, that the people who most need pensions were not able to afford even that pension plan because of the way it was targeted.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- By and large, people who are in the Saskatchewan Pension Plan, because of the way the members designed it opposite -- opposite members designed it when they were on this side of the House -- was targeted for people who were generally well off and could afford to make the contribution. And those people who did not have pensions were not able to have it.

But putting that aside, Mr. Speaker, this province under the fiscal circumstances we face cannot afford another \$80 million liability. The decision has to be made.

The members can't have it both ways. They can't say, don't increase taxes, don't cut programs, and balance the deficit, which is the approach that they used. And that's why we have a \$15 billion debt.

Gass Commission Recommendations on Taxation

Ms. Haverstock: -- Thank you Mr. Speaker. My question is directed to the Premier. I'm very supportive of the work done by the . . .

The Speaker: -- Order. I will decide who is going to be asking the questions in this House and I've had about enough from some of those members on this side.

I recognize the member from Saskatoon Greystone . . . (inaudible interjection) . . . One more remark from you, sir, and I'll ask for an apology. I recognize the member from Saskatoon Greystone.

Ms. Haverstock: -- Thank you again, Mr. Speaker. I am very supportive of the work that's been done by the Gass Commission, Mr. Premier, and your government has indeed expressed its satisfaction with the Gass Commission report as well.

And I'd like to bring to your attention the warning issued in that report, which cautions your government that, and I quote, Saskatchewan's "ability to raise . . . revenues through additional taxation is negligible."

I ask the Premier why his cabinet would consider increasing taxes when you were warned that it would generate little revenue and actually hurt our economy.

Hon. Mr. Tchorzewski: -- Mr. Speaker, in response to the member opposite I want to say this: that the measures that were taken in this budget on the expenditure side, which were significant, \$344 million, the measures that were taken on the revenue side, Mr. Speaker -- all of that was done in a balanced way so that the impact on individual people could be minimized. Everybody shares -- individuals share, families share, the corporations share, business shares. It is equitably distributed as any progressive tax system has to be. It is there to solve the problem. Surely the member from Greystone would

not suggest that continuing the deficits that we have had in the past was going to be good for the economy. If that's what the member suggests, Mr. Speaker, I suggest to her that she'd better rethink the position that she is taking.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. I can assure the member that I do not agree with running a deficit in this province. And given your obvious disregard for the advice of the Gass Commission and given your government's total disregard for the recommendations of the Billinton panel and given your government's unwillingness to even consult with health care professionals before de-insuring various health care services, what assurances are you going to offer the people of this province -- the taxpayers of this province, who pay for all of these reports of all of these commissions -- that their recommendations are even going to be followed?

Hon. Mr. Tchorzewski: -- Mr. Speaker, I can give full assurance to the member from Greystone that the recommendations of the commissions which this government has put together are being followed. The member is quite welcome to look at the commitments and the implementation that's already taken place on the recommendations of the Gass Commission, the details of which will soon be announced by the Associate Minister of Finance. And we are acting on practically all of the recommendations of the Gass Commission, and they will be implemented.

Now, Mr. Speaker, the member opposite keeps talking about the need to get the deficit under control. I say to the member opposite: tell this House and tell the people of Saskatchewan, which programs would you have cut if you had been on this side of the House and had to bring the expenditures under control? Which programs would you have cut to save \$344 million?

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. My question is for the Premier. Since it seems like the only advice that you take . . . and I'd be more than willing to meet with you any time, any place, anywhere, in order to be able to talk about economic strategies in this province.

I want you to tell the people of this province what the NDP plan is for any economic strategy to create jobs and economic investment in this province, since it seems the only people you ever listen to are members of the New Democratic Party. There's absolutely no evidence in this budget that you have economic plans for this province.

Hon. Mr. Tchorzewski: -- Mr. Speaker, unlike the approach taken by the former government, this government is involving the whole Saskatchewan community in economic development and the development of the strategy for economic development. We are involving labour, we're involving the business community, we're involving every sector of the Saskatchewan society in that planning.

We have had meetings with the business community. The

result of that meeting is some initiatives which we're taking in this budget. The reduction of the small-business corporate income tax by 1 per cent -- small business creates 70 per cent of the jobs in this province, and we hope that this will be of some incentive to create even more.

The elimination of the education and health tax on processing and manufacturing will help make those sectors of our industry competitive with our neighbours on the east and on the west and on the south. Those are very significant measures in economic development, I say to the member opposite, and will make a contribution to the creation of jobs and economic development in Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. To the Minister of Finance. Sir, a decrease of 1 per cent to the business community will add up to absolutely zip when you consider the off-loading that your government has done to municipal governments, which are going to increase property taxes and taxes to businesses.

And I am going to remind the Premier and yourself of December 23, '91, when the Premier is quoted as stating: I am committed to the idea that taxpayers do not want to pay more taxes. He went on to say, and I quote: the big challenge will be whether we have the imagination and the talent pool to come up with newer ways of doing things.

In this budget . . . is this budget, this tax attack on the people of Saskatchewan, an admission that you simply don't have the imagination or the talent to come up with any alternatives?

Hon. Mr. Tchorzewski: -- Mr. Speaker, the member from Greystone, who seems to have all of the answers on economic development, seems to have conveniently forgotten one, very fundamental fact about the economy: that as you increase the deficit of the province of Saskatchewan, it reduces the confidence of investors and business in investing in Saskatchewan. That is the number one rule.

We're dealing with that problem in this budget. We have reduced the deficit from what it might have been of \$1.2 billion to \$517 million -- a very major reduction. That will help restore confidence in investment and the business community and create economic development.

I go back to the member opposite. Be honest with your constituents and be honest with Saskatchewan. Tell us where you would cut \$344 million in health care or in education or whatever program you have in mind. Tell us where you would cut.

Some Hon. Members: Hear, hear!

Tax and Utility Rate Increases

Mr. Devine: -- Mr. Speaker, my question will be to the Premier. Mr. Premier, we heard this morning . . . and I'm sure that you've talked to constituents, and we have all

across the province of Saskatchewan. And they quoted you time and time again, Mr. Premier, and you said 4.5 billion is enough, no new taxes; the province should spend more on health, education, poverty, and farmers, unquote.

Do you know what they're saying, Mr. Premier? They're saying you didn't tell the truth. You betrayed them. It's been misleading. Because yesterday it was all new taxes -- new taxes on income, taxes on sales, taxes for farmers, utilities up 30 per cent. Mr. Premier, the people across the province of Saskatchewan have said that you have betrayed the trust at election time, and you betrayed it yesterday.

Mr. Premier, the question to you is simply this: given the fact that people are saying you betrayed, you misled, your government is a fraud, will you now admit, Mr. Premier, that you had no idea and you have no idea how to govern the province of Saskatchewan?

Hon. Mr. Romanow: -- Mr. Speaker, it took all that the member could muster to keep a straight face in asking that question.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- After nine and one-half years, talking about fiscal frauds; after going to New York city and saying in 1983, quote: Saskatchewan has so much going for it that you can afford to mismanage it and still break even. Well, even that promise he couldn't manage to keep.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- After totally misportraying what we campaigned on. There it is, Mr. Speaker, **The Saskatchewan Way**. "First Things First -- Common Sense Financial Management. (We said) Open the books . . . comprehensive review of all PC privatizations . . . (And we said this, first things first) A balanced budget in our first term of office (is what we said)."

And the member conveniently ignores all of that. Look, Mr. Member, I close: people in this province know precisely who's to fault for this problem. That is your government for nine years. They know we're in a jam, and they're supporting us to working this thing out; not necessarily for us, although we'll do it for us, but for our children and for their children. Come on, join the building.

Some Hon. Members: Hear, hear!

The Speaker: -- Order.

Mr. Goulet: -- Before orders of the day, Mr. Speaker, I would like to ask for leave for introduction of guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Goulet: -- Mr. Speaker, I'm very pleased to introduce some guests from the Cowessess Indian Reserve, the

Cowessess Community Educational Centre. They are seated over at the west gallery with their teacher, Mr. Cliff Prokopchuk, and there are seven grade 12 students. I'll be seeing them later on, Mr. Speaker, for pictures and also for drinks at the dining room.

Mr. Speaker, I would like to pay due respects to the students from Cowessess Indian Reserve, while recognizing that their grandparents are of the tradition of both Cree and Saulteaux, and would like to say a few words in Cree, Mr. Speaker.

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

Hon. Members: Hear, hear!

ORDERS OF THE DAY

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski that the Assembly resolve itself into the Committee of Finance.

Mr. Swenson: -- Thank you, Mr. Speaker. Mr. Speaker, I would like to pick up my remarks from yesterday on budget day. And I think I'll start a little bit differently this morning than where the Minister of Finance was yesterday. I will leave the rebuttal of his partisan nonsense for the moment and deal instead with what is not in this budget, what should have been in this budget, and what could have been in the budget of Saskatchewan.

Mr. Speaker, the opposition has been saying all along that there are three ways to deal with a deficit reduction; you can raise revenue, you can cut spending, or you can expand the economy. The government has made some very modest cuts in spending and has dramatically raised revenue. What it did not do in any shape or form, Mr. Speaker, is expand the economy of Saskatchewan.

Now I know the Premier of this province was out in the rotunda yesterday saying: there was no other way, our hands were tied, we simply didn't have the tools available to expand the economy of Saskatchewan, and that he wouldn't return to the ways of the previous government. There's only two things I can do as Premier of this province, that is tax the people into the ground and cut a bit of spending, and as I'm cutting a little bit of the spending, I'll back fill with some nice little patronage appointments for some of my friends.

Well, Mr. Speaker, I don't think that's good enough. I don't think that's the kind of leadership that people expect from a new government. I think they expected a Premier and a government that would set aside some of their partisan rhetoric, not the document that we saw delivered in this legislature. And I have to say again, the member from Riversdale, Mr. Speaker, has been in this Assembly for a quarter of a

century -- a quarter of a century -- and I challenge him to show me a budget speech that was as full of vitriolic, political garbage, as that one was yesterday.

The traditions of this House have been long-standing. And I know in the seven budgets that I heard delivered in this legislature by the former government, I never once saw a document that was so full of politics. And I guess before I get on with the rest of my remarks, I say once again, shame on the New Democratic Party government. Your members should be paying for that budget document not the taxpayers of this province.

Mr. Speaker, there are no low-cost or no-cost alternatives to a government when expanding the economy. But I'm going to present to the members opposite some ways that I think are fairly low-cost ideas that could have been incorporated into a budget in a province such as Saskatchewan, that is heavily dependent on agriculture and raw resources, to stimulate some economic development projects and jobs for our province.

Earlier this year, Mr. Speaker, I released a draft Bill that would mandate the use of grain alcohol in gasoline sold in Saskatchewan. And, Mr. Speaker, I will not stand here and assert that that plan was absolutely perfect. In fact, we've had representation from organizations around the province that are involved in the production of ethanol alcohol saying that the Bill mandates too quick a move in that direction; that the resources are not available to private companies at present to meet the mandate, which was 1996, to have 10 per cent of all Saskatchewan gasoline have an ethanol alcohol content.

But the fact remains, Mr. Speaker, that there are tremendous possibilities in a move such as this. That if there is a plan, if it is well-structured, if it is laid out well into the future, then, Mr. Speaker, gasoline in Saskatchewan can have 10 per cent alcohol. It can do two things: use fully 20 per cent of the grain produced in this province in the production of that alcohol, and secondly, environmentally it puts our province on a very sound footing in meeting the green plan of the federal Government of Canada in the next decade.

And it does that in a number of ways. It reduces emissions that go into the atmosphere. I heard on the radio today that using that much alcohol in our gasoline would reduce emissions in the province in all types of engines by 17 per cent. And that's pretty significant, Mr. Speaker, when you realize that scientists in our country and North American are telling us that right above our heads this spring, we had the potential to have a hole in the ozone layer.

The other thing that it does, Mr. Speaker, is our feeding industry which took a tremendous slap in the face yesterday in the budget . . . I've had one hog farmer in my riding tell me that he will lose \$50,000 because of the budget delivered yesterday in this Assembly. Fifty thousand dollars to the average hog farmer in this province, Mr. Speaker, I suggest to you, will mean economic devastations.

By going to the ethanol content in our gasoline, we will produce tremendous amounts of feedstock. The

by-product of ethanol production will be the mash in the dried product that comes out afterwards. That product is high in nutrition for both hogs and cattle and the feather industry.

So, Mr. Speaker, I say to the government: if you had done some long-range planning in this budget, if you had thought about our agricultural sector, about our job sector, and about our environment, you don't have to spend a lot of money immediately to achieve this end, but you can lay out a sound plan, a sound framework, that would allow all these different sectors of our society to plan for the future.

Expanding the economy, as I said before, Mr. Speaker, is not easy. It simply means being creative, and it means that you have to lay aside some of the political rhetoric which we have in this province.

Mr. Speaker, another area that I think the government was very remiss in and could have included in the budget -- it's a very low-cost item if one does planning and is selective -- and that is the whole area of loan guarantees. Now I know, Mr. Speaker, in this House in the past we've had some pretty serious discussion about some of the loan guarantees that have been given by government in the past. But I think it's pretty incredible, Mr. Speaker, to hear the Minister of Finance, the Minister of Economic Development, when they're out on the streets of Regina trumpeting the fact that Crown Life is coming to the city of Regina, and at the same time in this very legislature hear our Premier condemn loan guarantees.

And I remind members of this Assembly, members of the media and the public watching today, that the stories of the turn-around in Regina, the increased housing starts, the optimism that's coming out of REDA (Regina Economic Development Authority), the optimism that the chamber of commerce talks about, if they're mentioning political parties . . . and I think in all fairness, Mr. Speaker, they have to talk about the former government of Saskatchewan and the PC (Progressive Conservative) Party of Saskatchewan because they are the people that were directly responsible for bringing those two organizations to our province.

(1045)

And, Mr. Speaker, if the NDP are so quick to lay blame at the feet of the former government for things that they see in this province, then, Mr. Speaker, I expect a clap from members opposite when we talk about Crown Life and FCC (Farm Credit Corporation). Any time that those two things are mentioned in this Assembly, then the members opposite had better give credit where credit is due.

It's also very bizarre, Mr. Speaker, when we're talking about loan guarantees to have the members opposite, and particularly the member of Finance, go on and on about Saskferco and the fact that it's not a good thing for the Saskatchewan economy. Saskferco as you know, Mr. Speaker, involves a large loan guarantee and a small amount of cash.

Mr. Speaker, in the Minister of Finance's own economic assessment of the province back in December, he says in

there -- and I think it was mostly for people outside the province's boundaries rather than for people inside the province, but he says in the statement, that financial statement -- that the only things keeping this province going in 1992 are Saskferco, Millar Western, an upgrader, other projects where the Government of Saskatchewan has had significant loan guarantees put in place; that without these things there would be a large downturn in the job market; that without these projects Saskatchewan taxpayers would be faced with a very bleak situation because there is nothing coming along behind.

Mr. Speaker, I contend that if this government in this budget had seriously looked at loan guarantees in a well-thought-out plan, then they would have realized that they are a very legitimate tool of economic development; that when the financial squeeze is on, and it is, when the financial squeeze is on taxpayers in this province and you can't outlay cash to make your economy grow, then you have to look at guarantees. Because they don't cost the taxpayer a dime unless the guarantee has to be realized on.

The guarantee doesn't become a contingent liability in the case of Saskferco unless Cargill goes broke. Now, Mr. Speaker, I don't think there's anyone, even in the NDP government of our province, that's going to say that one of the largest agricultural corporations in the world is going to go broke in the next couple of years.

Mr. Speaker, it only is sensible then that if you can create jobs immediately, construction jobs, that if you have the ability to take natural resources in this province, like Saskferco does with natural gas, and you can significantly expand your economy because of the taxes and the royalties that are being paid, then you have to give loan guarantees their due. Because the taxpayer doesn't have to outlay the money, but in a fairly short time you see benefits back to the economy. And that is why, Mr. Speaker, in this budget the Minister of Finance should not have, out of hand, written off this tool.

What about the relationship between taxes and economic growth? I think this government doesn't realize, Mr. Speaker, that they have done tremendous harm to the revenue potential in this province by squeezing the economic life out of Saskatchewan taxpayers. It simply refuses to recognize the fact, and I think it's very short-sighted, Mr. Speaker.

It's a plain truth, and the Minister of Finance knows it, that the harmonization of the federal sales tax and the provincial E&H base would have injected \$400 million into the economy of this province. Because it would have given business -- the businesses of this province who must employ people if our economy is to grow -- it would have given businesses \$400 million in investment tax credits. Besides that, it would have generated \$180 million in revenue for the province of Saskatchewan.

And I know, Mr. Speaker, I know when you're assessing taxes, that fairness is always a criteria that you must look at. And the Minister of Finance says that income tax is the most progressive way to go.

But, Mr. Speaker, when you are already one of the highest

taxed jurisdictions in our country, when you take that further 10 per cent off the top end, when you hit the utility base in a major way, you absolutely destroy the ability of people to enter into the economy and spend money on consumer items, spend money on manufacturing and processing, and indeed invest in their own economy, because you have taken that money off of the top.

Mr. Speaker, fairness in the taxation system means, yes, that those in the higher end of the scale must pay so that those at the lower end of the scale don't have to pay as much because their ability to pay is very limited.

And that's why, Mr. Speaker, I think it was terribly short-sighted for the Minister of Finance to do yesterday. Because obviously those with more income in our province, if you went on the basis of harmonization, will spend that money on disposable items. And those at the bottom end of the scale who don't have as much disposable income will not. Therefore the rich pay and the lower end do not.

What we saw yesterday, Mr. Speaker, was the fact that the middle class in our province will be absolutely gutted. The people that are the basic engine of growth in this province will not have that extra disposable income to spread around our economy. And that is why, Mr. Speaker, we ask the Minister of Finance today to table those results and figures in this Assembly. Because obviously the budget didn't clearly lay out the alternatives.

I will congratulate the Minister of Finance on one small part of his budget address yesterday as far as creating wealth in our province. I don't know how much long-range planning they did, because by a partial harmonization -- in other words, removing the E&H base from a small area of manufacturing and processing -- the Minister of Finance has realized that manufacturing and processing and business in this province need some help if they are to maintain the job base that we have before us. It means that somebody like IPSCO will be marginally better off than they were before.

But I think, Mr. Speaker, if the Minister of Finance has studies that show that this small movement on the E&H base is good for business in this province, if it's good at maintaining jobs, than he knows full well that full harmonization will be requested by those businesses and manufacturing and processing in very short order. Because the benefits will be obvious and the benefits will be obvious to the employees. And that I'm glad to see that the Minister of Finance has left a small, thin edge of the wedge into his budget process, in that if they actually do some long-term planning on economic development in this province they will let that process go through to fruition.

Mr. Speaker, the Minister of Finance and the Premier know full well that when you snatch another 10 per cent from the taxpayers' pockets of this province that people have no choice, no control over how they contribute to government. They know that it comes off the pay cheque every month. They know that every April 30 that tax will be remitted to the province of Saskatchewan.

Mr. Speaker, I say again, taxpayers have a choice whether they purchase hamburgers, whether they purchase certain items of clothing, what they indeed do for their recreational needs. But they do not have to remit on their pay cheque when they make those choices.

I say that the income tax increase will shrink our economy, jobs will be lost, and you will see a further depopulation, because people that have the spunk and the get up and go to generate wealth to this province simply will not stay here. They will look at opportunities to the West, where the average family of four in the same tax ranges here is paying over \$1,200 less. They will look to our sister province to the East where the benefits are several hundred dollars, or, Mr. Speaker, they may look to sunny B.C. (British Columbia) where not only is the weather better, but certainly the tax regime is better.

And it amazes me, Mr. Speaker, how an NDP government in B.C. can be so much more in tune with the needs of western Canadian people than one here in Saskatchewan.

As I said in question period, Mr. Speaker, it's simply nonsense what the Minister of Finance trots out as his economic analysis. He said that 7,000 jobs would have been lost in the province of Saskatchewan with harmonization. He says that millions of dollars would have been lost to provincial revenues.

Mr. Speaker, the logic simply doesn't follow through. If he was going to totally stimulate the economy using that kind of logic then he would have eliminated the E&H tax totally, and he would have created 70,000 jobs, and we would have eliminated the deficit almost overnight.

Mr. Speaker, it's simply not good enough. This isn't long-range planning. This isn't a long-term look at economic development in this process. It's simply politics, and I think yesterday people in this province got their bellyful of politics. And they're saying to this government, you make choices; make them fairly. Show some leadership, and let's get on with more of a non-partisan look at how we build our economy in the future.

Mr. Speaker, the opposition will be bringing forward other Bills such as the one on ethanol production, other Bills in this legislature by private members that I think will show the government how to form a partnership, because they like to talk about partnerships and building our economy. How the government can form a partnership with people, for instance, like IBM to start fighting illiteracy in our province. How they can develop partnerships that will allow Saskatchewan people to be more successful in the job market. How we can enter into relationships that would make our educational system stronger.

And when they do those types of things, Mr. Speaker, they expand our economy. It's going to mean that members opposite have to give up on some of the ideological, hide-bound things that they seem stuck on. It means, Mr. Speaker, that for very few dollars, for very few dollars the Government of Saskatchewan can enter into a relationship like the one that was offered with AECL

(Atomic Energy of Canada Ltd.) -- a long-term, 10-year look at how energy in this province is consumed, how it's produced, and the side benefits of that production can occur.

It means, Mr. Speaker, that you simply don't dismiss the economic possibilities tied to SaskEnergy. It means, Mr. Speaker, that if the province of Saskatchewan is going to continue being a major producer of natural gas that you can enter into relationships that involve the private sector, that involve Saskatchewan investors, and that 2 to \$300 million worth of pipe that has to be laid in the province over the next two or three years can be built at IPSCO; that you can have Saskatchewan taxpayers as shareholders, that you can have private companies involved with SaskEnergy in building our economy.

(1100)

And, Mr. Speaker, if the government doesn't take a longer-term approach in designing their budgets, if they don't put some of this ideological nonsense aside, then we will not in this province be able to take those natural resources that have been a blessing to us and build on them for the future.

It means that nuclear energy will not do one single thing beyond what it's doing today in the province of Saskatchewan. It means that eventually, as the deposits of uranium are mined out, that the jobs will be lost and people in northern Saskatchewan particularly will not have opportunities that should go on for decade after decade after decade.

And it's sad to say, Mr. Speaker, that when the Minister of Finance made the choices he did yesterday that he wasn't willing to put aside some of this ideological nonsense. And most people in this province say it's that, Mr. Speaker. It's nonsense. And say that the Government of Saskatchewan is planning in the nuclear industry to take the next 10 years step by step to the place where that industry can provide thousands of jobs for this province, that we don't have to spend vast amounts of money on a yearly basis, that because if we do our planning, that with some wise investments, with some wise loan guarantees, with some wise educational looks at things, we can provide a future for tens of thousands of Saskatchewan people because we have the raw resource to build upon.

There are so many alternatives, Mr. Speaker, to what we saw yesterday, so many ways that this government could have said to the people of Saskatchewan, we aren't simply going to milk the taxpayer. We aren't simply going to make a cash cow out of the middle class, but we accept our responsibility that we put some of these things aside and that we give credit where credit is due. We don't simply try and destroy everything that the previous government did or thought about, that we are truly ready to grapple with the problems that face us and provide the leadership that is absolutely necessary to get through the 1990s and be prepared for the future.

Mr. Speaker, when you take your income tax plus your flat tax and add 10 per cent on top, that is much more than people expected to pay. When you take 3 cents a litre or 14 cents a gallon on gasoline, Mr. Speaker, that is simply

much more than anyone expected to pay. If you need medicine, then you'll pay almost \$400 a year for it now, Mr. Speaker. That is simply more than anyone expected to pay.

If you use a chiropractor, you're going to pay. If you need the services of an optometrist, now you're going to pay. Mr. Speaker, if you believe in wellness, you don't take away the low-cost items that allow people to keep good health and stay in their home, you attack some of the larger problems in the health care system.

Because, Mr. Speaker, if you're old, you're now going to pay more because your heritage grant has been cut and all of those services, those utilities that you use, are now going to cost you a lot more.

Mr. Speaker, senior citizens are becoming an increasingly large proportion of the Saskatchewan matrix. It's predicted that our senior citizens' population will double in the next 10 to 15 years. Seniors by and large, Mr. Speaker, are on fixed incomes. They don't have the ability like other taxpayers to change the way that they earn their income or indeed they aren't as mobile in changing their location of residence.

If you look at what this budget did yesterday to Saskatchewan seniors, I think seniors in this province will say, I see no long-term planning and I certainly don't see any taxing alternatives that would have been more fair to my circumstance.

Mr. Speaker, seniors simply can't have that extra 1 or \$2,000 for a couple, that I believe, when you add everything up, they are going to be faced with. Because when you take away the heritage grant program for many seniors, when you take away hundreds of dollars in phone and power and gas and insurance, these people simply will become a greater burden on our society, and a burden seniors don't want to be. The grandparents of this province do not like to be looked upon as a burden and yet that is exactly what our government was doing to them yesterday. They were saying to the seniors of our province, the people who built this province, because we're going at it in this way, you will become a burden on our society. Because seniors simply don't have choices to react in any other way.

And, Mr. Speaker, it's simply not acceptable when you say that to seniors, to try and blame it on everyone else in our society, because I heard yesterday this government, this government that promised so much to Saskatchewan people, all through the budget speech say it's Ottawa's fault. It's Ottawa's fault that agriculture is in the state that it is, that we didn't do anything to make that situation worse by changing the GRIP (gross revenue insurance program) program. It's Ottawa's fault that there's no economic development in this province because Ottawa and AECL were too tough with us. It's Ottawa's fault that we have shortfalls in health, education, social services, and policing.

Mr. Speaker, people elect governments to show direction, to show responsibility and to keep their campaign promises. Mr. Speaker, the federal government has a very large role to play in the lives of Saskatchewan

people. But if we were to take the budget speech at its word yesterday, then we would simply dissolve the provincial boundaries of this province. We would abrogate our responsibility to the citizens who live here. We would give up our provincial powers over resources and taxation, and we would simply throw ourselves at the feet of the federal government and say, live up to your responsibilities, federal government.

Well, Mr. Speaker, that simply isn't acceptable. That simply won't wash with Saskatchewan people. Saskatchewan people have known ever since 1905 that their government has the ability to enter into our economy and provide protection, to provide direction and to provide the stability that not necessarily can come from a federal government as we go through times of crisis in this province.

Mr. Speaker, NDP members in this legislature are often fond of talking about their past as a political party. They're often fond about talking about people in the old CCF (Co-operative Commonwealth Federation) party that built significantly in the province of Saskatchewan. And I don't think at any point in time that those people that they talk about in this Assembly day after day after day would have simply said, I can't do anything about it; I'm going to throw myself at the knees of the provincial . . . or of the federal government, and beg for mercy.

When Tommy Douglas decided to electrify the farms and villages of this province, he didn't throw himself at the mercy of the federal government and say, please help me. He got Saskatchewan people to get up on their back legs and run the power lines to the farms and villages of this province and do it in an equitable way.

People in this province, Mr. Speaker, have never thrown themselves, have never thrown themselves, at the feet of the federal government. They fought in 1930 to have the resources of this province transferred to provincial jurisdiction.

And yet if I listened to that speech yesterday, it clearly looks like this government is saying that the only alternatives available to Saskatchewan people are to be taxed into the ground and beg for mercy in Ottawa. And, Mr. Speaker, I don't believe that's acceptable to the people of this province.

Mr. Speaker, if that were the case, if that were the case, then the Government of Saskatchewan would not have brought forward an idea of the past administration. And I think it's a good idea. And I saw members yesterday nodding their heads when it was introduced -- the idea of a Saskatchewan savings plan, a Saskatchewan savings bond. The previous government brought in bonds for our Crown corporations because Saskatchewan people said, why pay the interest in New York; pay it to me.

If the analysis of the government is correct -- and I believe it is -- that Saskatchewan people will invest in their province, then the other premise that I saw in the budget speech is incorrect. And that is, we have Canada savings bonds available to us; if all we're going to do is beg for mercy from the federal government, there's no need to have a Saskatchewan savings bond.

So on one end, the Government of Saskatchewan tries to make excuses for abrogating their responsibility. And on the other hand, Mr. Speaker, they say Saskatchewan people are prepared to face the challenges that are before us. Well I think the second premise is the correct one. And I think the Saskatchewan savings bond will be successful, and I commend the Minister of Finance for following up on the ideas of the previous administration in that regard.

And I believe the first one is entirely false. And that if this government continues to talk in that fashion to Saskatchewan people, that we simply go begging on hand and knee to the federal government for everything that we need, then we as a province will get nothing out of the Confederation of Canada.

Mr. Speaker, in Wednesday's *Star-Phoenix* there was an article, and I'll quote the headline. It says, "Not \$1 more, eh?"

On his way to becoming premier (of Saskatchewan, the member from Riversdale) . . . made an excellent point.

He said that \$4.5 billion was enough to govern this province on. It says:

Today's provincial budget need do only one thing: (only one thing is needed to do in this day's provincial budget) Keep the election promise of "not one dollar more."

(1115)

And, Mr. Speaker, that is the part that is the biggest betrayal, to the people of this province, about the whole exercise that we're going through over the next few days. We had a Premier and political party in this province promise the taxpayers not one dollar more in taxes. They said, axe the tax, axe the tax and we will live within our means and we will not take more money out of your pocket, Mr. Taxpayer; that we believe -- misguidedly -- we believe that harmonization is wrong because it takes money out of taxpayers' pockets.

Well, Mr. Speaker, yesterday everybody in this province got a very rude awakening. Because it wasn't axe the tax, it was add-the-tax day in Saskatchewan. It was add the tax onto every last segment of our society. It was chop jobs, government services, put purple gas back in the tanks of Saskatchewan farmers. Mr. Speaker, if there was anything that was more hated in rural Saskatchewan than purple gas, I don't know what it is. I don't know what it is.

If you gave people a choice between even the changes to the GRIP contract, which we've seen, Mr. Speaker, which we've seen thousands of them demonstrate against on the very steps of this legislature . . . it's probably purple gas. And when a Finance minister has to resort to that we know that he's in trouble. Because purple gas, Mr. Speaker, as you well know growing up in rural Saskatchewan, was one of the most used and abused of the things that was ever done in rural Saskatchewan. And today we've gone back to it. And I can think of so many things from the '60s that if I had to go back as a foundation

of my budget that I could have picked rather than purple gas.

Mr. Speaker, as has been outlined in this legislature on many occasions, this government and this political party knew where the finances of this province were. Their own documents have proved it over and over again. And I just say one more time to Saskatchewan people, the Gass Commission said anyone who cared to look would know exactly where the finances of this province were.

Their own prospectus filed in Washington, D.C. (District of Columbia) that allows the Government of Saskatchewan to borrow a billion dollars clearly states that it doesn't make any difference if you use accrual accounting or cash in, the debt of the province is the same. The only difference is that the unfunded pension liabilities of the 1970s are entered into it in a different column. The numbers haven't been fudged.

An independent analysis by the labour movement in this province says, Mr. Speaker, that this government has padded their deficit by half a billion dollars. They have taken write-downs; that they have accrued interest charges that did not need to occur all in one budget year; and that the only reason, Mr. Speaker, the only reason that those things have been done is because this government is trying to cover its political tracks with the voters of this province.

So not only do we tax them into the ground yesterday, that we still maintain the facade, the facade and the deception, Mr. Speaker, that when they went out and promised the earth to Saskatchewan people, as six months ago, to achieve that so-coveted political power, they thought nothing about what they would do to Saskatchewan people a six short months down the road.

The evidence is overwhelming, Mr. Speaker. One only has to compare what this budget did yesterday for child hunger in this province. And you add up Jack Messer's \$27,000 sound-proof bathroom and Jack Messer's Lexus car that he got caught with and Jack Messer's oral contract, and I would suggest the sum of them all, Mr. Speaker, covers the increase that child hunger got in yesterday's budget.

Because you see, Mr. Speaker, just to achieve political power to put your friends in high places, which this government said they wouldn't do and have done, is not good enough, is not good enough, Mr. Speaker, as the reason to simply achieve political power in this province.

Appointing 850 of your friends to boards and commissions in this province and bragging about it in the throne speech is simply not good enough, Mr. Speaker. And firing 500 public servants yesterday because you didn't have the courage or the leadership to put aside some of your ideological idiosyncrasies -- and the member from Athabasca knows well what one of those is -- that probably we could have done some things for very little money in this province, Mr. Speaker, and created a lot of jobs if we didn't have those idiosyncrasies; that the direction of our province could have been different yesterday.

Mr. Speaker, I am sure that members in this Assembly, government members, are going to want to stand on their feet over this budget debate and tell us about the economic analysis that their Finance minister did when he imposed a 10 per cent increase, personal income tax increase, on Saskatchewan taxpayers.

I'm sure that they're going to want to stand on their feet and tell the people of Saskatchewan about the analysis done by the Minister of Economic Development and Trade that'll show how this budget is going to draw those 700 companies that they so fondly talk about into our province and how they're going to create jobs.

I'm sure they're going to want to stand on their feet and give us the analysis, Mr. Speaker, of how child hunger and poverty are going to be eliminated with this budget that was brought in yesterday.

I'm sure they are going to want to stand on their feet and give us the analysis that will show how our senior citizens are not going to be driven into poverty by the budget that was brought in yesterday.

I'm sure they are going to want to show us the analysis how the farmers of this province are going to weather the economic and debt storms that they live in, and the dirt that has been blowing for the last two weeks in south-west Saskatchewan, Mr. Speaker.

I want them to show us the analysis that shows that '92 GRIP is better than '91; show us the analysis how having to pay fuel tax up front is going to get your farming done, and show us the analysis how purple gas is going to change the way in which rural Saskatchewan does its business.

Mr. Speaker, none of the fundamental areas of our economy yesterday had any analysis put on them at all. They simply had a short-sighted political document delivered on their heads, which says the Government of Saskatchewan will take, take, take; the Government of Saskatchewan will not protect, and that the only reasons we're doing this is because we didn't have the courage, the political courage to put aside to admit their mistakes.

Mr. Speaker, what we had yesterday was a neutron budget. It nuked all the people in Saskatchewan and it was designed to leave the NDP government standing -- a neutron budget, Mr. Speaker, a bomb that destroys the people and leaves the institution standing. And they did their best yesterday, Mr. Speaker . . .

The Speaker: -- Order. Why is the member on his feet?

Mr. Renaud: -- Mr. Speaker, I would ask leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Renaud: -- Mr. Speaker, to you and through you to this Assembly, I would like to introduce to you Mr. and Mrs. Don Ross from Hudson Bay, Saskatchewan. Don is the president of the chamber of commerce in Hudson

Bay, and also a town alderman. And I'd like you to welcome them.

Hon. Members: Hear, hear!

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

Mr. Harper: -- I'd like to ask leave for the introduction of guests, Mr. Speaker.

Leave granted.

Mr. Harper: -- Thank you. Mr. Speaker, to you and through you I'd like to introduce to the Assembly two gentlemen from my constituency, Mr. Harry Shukin and Mr. Peter Fofonoff. These gentlemen are down here as a part of a delegation of the Verigin Doukhobor Heritage Society, and they've taken some time out of their day here in Regina today to take in the proceedings of the Assembly, and I'd like to ask all members to give them a warm welcome.

Hon. Members: Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE continued)

Mr. Swenson: -- Thank you, Mr. Speaker. I too would like to extend a welcome to the guests that are in the Assembly today. Certainly the gentlemen from the town of Hudson Bay will know what it's like to have a tough economy, given the state of the forestry industry in north-east Saskatchewan these days.

As I was saying, Mr. Speaker, members of the opposition and the people of this province will be waiting for members of the government to stand on their feet and give people the analysis that says yesterday's budget was fair, that it was reasonable, and that it looked at all of the alternatives that were available. And it simply dismissed some of those alternatives because they were politically unpalatable to the New Democratic Party.

Mr. Speaker, people expect more than the New Democratic Party of Saskatchewan dictating the wishes and wants to our taxpayers. And if yesterday's budget wasn't a neutron budget, wasn't designed to destroy the people and leave the New Democratic Party standing, then I invite members to stand on their feet and tell us why it isn't that way.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- Thank you, Mr. Speaker. I thought, Mr. Speaker, only the Conservatives could embarrass me in this House.

Mr. Speaker, the House Leader from the Conservative Party challenges us to stand and give an analysis, and I wanted you to know, here I am.

Some Hon. Members: Hear, hear!

(1130)

Mr. Anguish: -- I want to put forward today the analysis of the New Democratic Party and our government as to why this is the budget that's the right budget for the province of Saskatchewan.

The same member who has just spoken in this Assembly caused some excitement among our back-benchers yesterday, I want you to know, Mr. Speaker, when he called on so many resignations from the cabinet. It excited quite a few of us in the back bench that our potential of rising in the ranks of this government is being enhanced all the time.

You would think, Mr. Speaker, over the last few days, that the members of the Conservative Party had hearts of wood. But we know that that's not so because as they rose to speak their noses didn't grow, and you know the case about Pinocchio. The analysis certainly put forward by the members of the Progressive Conservative Party is inaccurate to say the least.

When we said, Mr. Speaker, prior to the election that \$4.5 billion is enough to run the province of Saskatchewan, \$4.5 billion is enough to run the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- In the budget documents placed before this Assembly yesterday we find that there will be revenue raised in the amount of \$4.4915 billion. That's less than \$4.5 billion, Mr. Speaker, and if we had no Conservative debt in Saskatchewan, this budget brought forward by the Minister of Finance would leave us with a budget surplus of \$243 million, Mr. Speaker.

But will we have a surplus of \$243 million this year, Mr. Speaker? Will we? No we won't. Why won't we? Because the Conservative Government of Saskatchewan, the previous government in Saskatchewan, left a debt that is so horrendous that we this year have to pay out of the budget \$760 million in interest on the debt alone. I say shame on those members opposite, and that's part of the analysis as to why this budget has come forward.

We don't want any more of their phoney indignation in this House. They know the analysis as well as we do. They misstate the facts. The hypocrisy of the statements that we have heard in this House by the members of the Conservative Party over the last two days just make me sick, Mr. Speaker. I cannot believe what they have done to the province of Saskatchewan.

Therefore this afternoon . . . or this morning, the analysis has to start with the record of the Conservative administration in the province of Saskatchewan. In fact, it can go back quite some time to the last Conservative government in Saskatchewan.

Mr. Speaker, between September 5 of 1905, the first government in the province of Saskatchewan, which was

a Liberal government, we had Liberal governments up until September 9, 1929. And at that time the Hon. James Thomas Milton Anderson was sworn into office.

Mr. Speaker, that government devastated the province of Saskatchewan as well. In fact when they left office finally, when a new premier was sworn in on July 19, 1934, the Conservatives hadn't re-elected one single seat to this Legislative Assembly. And that's what should have happened to them this time, Mr. Speaker, in the last election.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- The analysis goes on, Mr. Speaker, the analysis goes on to a point where I want to use a quote from the previous premier, the current member from Estevan, the leader of the small opposition over there -- small in more ways than one. You recall the former premier saying it's just like oatmeal because it's the right thing to do. Well, they were eating porridge, Mr. Speaker. Their friends ate porridge; lots of people were at the porridge trough. But they forgot to turn the stove off, Mr. Speaker, and now we have to clean burnt porridge out of the pot.

This budget, Mr. Speaker, is the right thing to do in Saskatchewan. This is the right thing to do, Mr. Speaker. Their campaign theme was "the courage and the will." They were of little courage, Mr. Speaker, and they had no will to do the right thing in the province of Saskatchewan -- to stop the wasteful spending of their administration.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- Well we've had to stop that wasteful spending of their administration because I refuse to put on the backs of my children a debt and a devastating situation that was created by that government. I refuse to do that. I don't even want to accept the responsibility today. I wish there was some way we could tax the former members of the cabinet to make them pay the debt in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- They're lucky, Mr. Speaker, that the people of Saskatchewan don't hold court over them, that there is a justice system in Saskatchewan because they'd all be charged, and charged very harshly, as they were in the provincial election on October 21, Mr. Speaker. They should be lucky that the people in Saskatchewan don't hold court over them.

In fact I think that the member from Saskatoon Greystone should be courting some of the people who are new to the Conservative caucus.

The member from Kindersley, and the member from Souris-Cannington, and the member from Maple Creek -- I think they should leave that leaderless ship over there and move over to the member from Saskatoon Greystone so she can obtain official party status in the legislature, and get that extra money she keeps asking for because she represents 24 per cent of the people. Now there's the solution.

They're so consumed over there with their leaderless operation that you see the competition going on on a daily basis between the member from Thunder Creek and the member from Rosthern, and I'm not sure about the member from Moosomin. And the member from Morse, he's caught up in that as well, the member from Morse is running for leadership. But the one who knows what's going on over there . . . No, I'm sorry, I do not believe that the member from Wilkie is running for leadership with the Conservative Party. And I don't want to expose that here today, but I will.

But the one who really knows what's going on over there is the member from Arm River. The member from Arm River is the dean of that operation over there, and he's watched the political insides of the Conservative Party for a good number of years. In fact I wouldn't be surprised if he would encourage the new members that have joined that leaderless ship to go over to the member from Saskatoon Greystone so she can attain her official party status in this Assembly.

So I want to also add to the analysis, Mr. Speaker, the situation of the previous government and the last budget that they brought into the Assembly. Everyone knows that follows government that the end of the fiscal year is March 31. Well the Conservative government at that time brought in a budget, and there were debates about a number of things, but there weren't any debates about the budget. It went on with Bills, it went on with flimflam and deception on the people of the province of Saskatchewan, but they never brought in any budget discussions.

Mr. Speaker, the member from Thunder Creek says that flimflam was the petitions. That shows how much the Conservative Party listens to the people in the province of Saskatchewan, when you have at least two petitions with over a hundred thousand signatures, and they call it flimflam. Do they listen to the people of Saskatchewan? No. No they don't.

Well the Conservative Party was experiencing a lot of problems in presenting their budget. They could tell that because they had to pay some attention to a hundred thousand signatures on a petition that said their government was not doing the right thing. It wasn't like oatmeal. It was not the right thing.

An Hon. Member: -- The House Leader quit on them.

Mr. Anguish: -- Well, that's a very interesting point. Our House Leader says, their House leader quit on them, and that's correct. I recall that day very well. Myself and the member from Saskatoon Riversdale were out meeting with the Meadow Lake Tribal Council that particular day. And we were listening to the news, and we were surprised that the government House Leader was so disgruntled -- Mr. Hodgins, member from Melfort at that time -- was so disgusted and disgruntled with the government that he stood in the Assembly on June 17, 1991 and resigned.

I don't want to read the entire statement -- it would take too much of the House's time here today -- but I would give you a little background to it. Number one, he was so disgusted he did not even inform the member from

Estevan, who was the premier at that time . . .

An Hon. Member: -- Or the member from Wilkie.

Mr. Anguish: -- Or the member from Wilkie or any other member. He stood in his place and he resigned. And he concluded by saying:

I would respectfully request, Mr. Speaker, that my chair be moved to the opposite side as an independent member.

That's what the former member from Melfort said.

And do you know what happened the next day? Still without ever having discussed the budget in this Assembly, not having discussed or called forward one estimate, they prorogued the legislature. And they went from June 18, 1991 until the time of the election without ever having a budget. That was a first in the history of the province of Saskatchewan.

Is that courage and will? That's not courage and will. That's deceit and deception. And it's not the right thing to do. So I'd encourage the member from Kindersley and the member from Souris-Cannington and the member from Maple Creek, get behind the member from Arm River and join the member from Saskatoon Greystone because that will be your only salvation. You'll be like the Anderson government in the '30s and never resurface again.

Some Hon. Members: Hear, hear!

An Hon. Member: -- . . . you might make cabinet if you stood.

Mr. Anguish: -- Well, the member from Kindersley says I'm doing well; it might improve my chances of making cabinet. I'll tell him, my chances of making cabinet are a lot better than his are.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- What else has the member from Thunder Creek been saying in his speech? He talks about us at the feet of the federal government and somehow the federal government is the problem. It's not a federal government problem -- all their off-loading. If the federal government weren't off-loading the way they are, we could maybe even balance the budget with the horrendous deficit that they had run up during their nine and a half years of administration.

But are they hypocrites? I think so, Mr. Speaker. I look here at the throne speech from March 19, 1990 when their government said:

My government is committed to working co-operatively with the Government of Canada, other provinces and municipal governments in areas of shared responsibility. We must ensure the needs of all Saskatchewan people are addressed and that our people receive their fair share of benefits and support.

Now hear this. I quote:

My government is concerned about the transfer of more and more federal funding responsibility to our province. It is straining our capacity for health care, education, justice and social service programs.

I would think that they were blaming the federal government back during their term of office, and now has something changed? No, the only thing that's changed is we now have a government that will stand up to Ottawa and get what is rightfully deserved by the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- And if the Conservative opposition has the courage and the will, they'll join us by asking their federal cousins not to unload on an already devastated economy in the province of Saskatchewan. That's what they would do.

I still encourage them to move over, at least the new ones, and go with the other person to join us in Ottawa. Because the government that's in Ottawa now won't be there after the next election either, Mr. Speaker. They're going to be gone for what they've done to the people of Canada.

Mr. Speaker, I know that there'll be naysayers about what our government has done in our budget. But I don't think I want to part of a government that takes the road most travelled. I want to be part of a government that does the right thing for the people in the province of Saskatchewan. And I will not participate in a system that would bankrupt this province on the back of future generations when we are no longer in this place or maybe no longer around period, Mr. Speaker.

Mr. Speaker, I look at some of the things that the opposition has criticized in the budget. I think that people in Saskatchewan support the budget that was placed yesterday before this Assembly. They are somber, they are concerned, but they are also supportive because they realize the seriousness of the situation faced by not only the government but all people in the province.

(1145)

I think of times when we'd had to make tough decisions before. I remember listening to a man I respect very much by the name of Alvin Hewitt. Alvin Hewitt was with the former premier, Woodrow Lloyd, during the days of the Keep Our Doctors crisis, the KOD committees.

Woodrow Lloyd had to walk into a packed hall of medical people that were there, mostly people that were on the KOD committees. And as Woodrow Lloyd and Alvin Hewitt walked to the front of the hall to address the unruly crowd and potentially riotous crowd that was there, someone jumped to the front of Woodrow Lloyd and spit in his face.

And Woodrow Lloyd didn't raise his hand to his face to wipe the spit away. He walked to the front of the hall, addressed the unruly crowd, and walked away with never

wiping the spit from his face from the member of the KOD committee who had spat upon him at that time.

That takes integrity. That takes courage and will, to put forward your position even if it's a tough position to put forward, because that's the right thing to do. It's not eating more oatmeal; it's actually feeding the people of Saskatchewan, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- In our budget we will not be giving preferential treatment to people. In our budget we are fair. We will not see the less fortunate violated and starved. We will not see the more wealthy in our society get off scot-free. We will be fair. We will be fair in our budget and we will be fair also in the administration of government, Mr. Speaker.

How about the former government? I'd like to go back to that for a minute so I can help fill in the rest of the analysis for the member from Thunder Creek who spoke just previously to me.

The Provincial Auditor has done a special report. It was tabled in the *Public Accounts* Committee on April 22 of this year, Mr. Speaker. The Provincial Auditor points out many things in his special report, but I think the two most damning on this government have to do with people who were paid but didn't work for the government.

Mr. Speaker, I look at the report and I find in here that there were many people that were paid by one department but worked for another department. It's not secondment. Secondments are okay; they have a place in government; they have a function. But these people were paid with the full knowledge that there was never any benefit back to the department or agency that was paying them.

The worst part, Mr. Speaker, is, and I quote from the report:

The following organizations reported that they made payments of \$603,416 to 19 employees not working for their organizations. The organizations were unable to determine who received the services of these employees.

Were they ghosts? No, I don't think they were ghosts. There were 19 people that the former administration forced government departments to pay, and those government departments were so afraid to say no because of the rule of intimidation by the Conservatives, that they paid these 19 people. And when the auditor comes along to do his special audit, they don't even know where these people work. Is that the courage and the will?

The next part I'd like to point out about this report is a section called: "Payments to advertising agencies for goods/services not received." Some members say, could this happen? Yes, it could happen. And the Provincial Auditor, not our employee from government but an officer of this Assembly, went out and he found that advertising agencies like Dome Media Buying Services, Dome Advertising, Roberts & Poole, Dome Advertising, Roberts & Poole, Dome Advertising,

Roberts & Poole . . . I'm not being repetitive; I'm just repeating the companies that received the benefits.

How could this happen? Because when someone requisitions a payment within government they have to sign a request for payment that goes to the Provincial Comptroller, and the Provincial Comptroller authorizes the Department of Finance to issue the cheque. Did someone defraud the Government of Saskatchewan and the taxpayers by signing a requisition for payment where no service or no good was received? I think that's a distinct possibility.

In the *Public Accounts* Committee on the day that this report was tabled there was a question to the Provincial Comptroller: why did you make the payment? The Provincial Comptroller says: we can't check every voucher that comes along; there are thousands of them. This voucher for these services was duly authorized, not only by the person in the department making the payment, but also signed by the director of communications in the office of the Executive Council.

Well people in Executive Council are political appointees. Do you think there could be a possibility there was a political appointee in the department as well, and there was collaboration between two or more employees of the government who were political employees to defraud the taxpayers out of funds? And I say, shame on this government.

That's a further part of the analysis as to why this budget is before us today. It makes me angry that you've deprived this generation and future generations of the rights that they should have in the province of Saskatchewan. That's more the analysis, Mr. Speaker, as to why this budget comes forward today.

Mr. Speaker, I know that we can expect many people to ask questions and be concerned about the budget. And they have the right to ask those questions, and they have the right to receive answers, and they will receive answers.

Mr. Speaker, I can't say that everybody has to agree with everything that's in the budget, that would be an impossible task. But we have listened and we have responded and there will be further consultation with the affected parties by the budget -- those on the revenue side and those on the expenditure side. We will not turn a deaf ear to Saskatchewan people as the previous government did, and we will not make apologies for our government or the budget presented yesterday in this legislature. We will not apologize for what we have to do.

We will let the people in the province of Saskatchewan judge this government come next election time, Mr. Speaker. And I say it will be a good judgement because we will do the right thing in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- Honesty is important, Mr. Speaker. Honesty is an important thing; a person to have integrity.

But it's equally as important to be honest as a government. I can't expect the opposition that's over there today to be honest because they weren't honest in government, so why would they be honest in opposition.

Just days before the election the current Premier wrote a letter to the ex-premier, asking if the deficit projected of \$265 million was accurate. That ex-premier referred it to the ex-minister of Finance, Lorne Hepworth. And Lorne Hepworth wrote back to the now Premier of the province of Saskatchewan and documented that: yes, the deficit was going to be \$265 million.

But you know what it was? When the, not NDP, not MLAs, did up the *Public Accounts*, but the professional employees of this Assembly and of the Government of Saskatchewan, you know what they found? The deficit was \$960 million.

I ask the member from Kindersley: is that honesty? Oops, did you make a mistake of that magnitude? Did you make a mistake of \$635 million . . . (inaudible interjection) . . . Well, they did do the same thing in '86, but the member from Kindersley wasn't here in '86. And he wasn't here until the last election either, so I don't know what he'd know other than what the members who were here from the Conservative Party had told him.

Why don't those new members in the Conservative ranks read the facts? And when you read the facts, I don't want you joining us. I don't want you. But I am sure the member from Saskatoon Greystone wants you. So mosey on over there. Save yourself while you can. Your last opportunity is drawing fairly near. I would move while the moving is possible.

Yes, Mr. Speaker, we're left with a \$14 billion deficit that costs us in excess of \$700 million a year in interest. Four point five billion dollars is enough to run this province, but it's not enough to take care of the Tory legacy of mismanagement and waste and a debt that they ran up to the point of \$14 billion.

Does anybody in this room, in this Assembly, know what \$14 billion is? I can't imagine \$14 billion. One of the members says it reminds him of a Tory. Well I hardly ever heard of billions till the Tory governments came along. Used to say, hoof, what's a million? Now the Tories say, hoof, what's a billion?

They expected us to run this province even further into debt so that future generations would never get out of the stranglehold of the bankers and the bond dealers of the world. Was that the right thing to do? Well I guess their oatmeal analysis would mean it's the right thing to do. But we don't think it's the right thing to do. We are going to be a fiscally responsible government responsive to the needs of not only this generation but to the needs of future generations, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Anguish: -- Mr. Speaker, I've likely taken far more time than I should have, but I want to conclude by talking a bit about health care. We are criticized from some circles on the health care measures in the budget. But I

want to assure you that I and other members of the government will see that no one is denied full access to quality health care because of an inability to pay. We will not allow that to happen.

Mr. Anguish: -- Mr. Speaker, I followed with interest the discussions in the United States about how bad Canada's health care system is. But you know, Mr. Speaker, that the health care system in Canada spends less per capita than what the American system does on health care. And the American health care system leaves more than 35 million Americans without any health care insurance at all.

That's where the previous government was taking us because we would have been at a point if we continued their road -- that slippery slope that they were on -- that we would have not had the ability to borrow money to run the health care system in Saskatchewan. Shame on them for deceiving people in this province.

In this article out of an American magazine it says, and I quote:

Canadian medical costs are about nine per cent of the G.N.P., compared with about twelve per cent in the States. More important, we end up spending about twenty per cent less per capita on health care than you do, and (they're) still ahead in the two most crucial public-health indicators -- life expectancy and infant mortality.

(1200)

Well, that's a system. What do we want to do with the health care system? We want to go beyond that. We want to go to the next generation of medicare for Saskatchewan people on the wellness model so that people aren't geared to going when they get sick, to provide a cure. We want people not to become sick. And it's a different sickness than they were provided by the Conservative administration of government, I'll assure you of that, Mr. Speaker.

Mr. Speaker, I'm also very happy. I see today that a concern of the optometrist in Saskatchewan has been taken care of. There was some concern about the de-insuring of children over 18. I guess they aren't children at that point any more, but the age group over 18 years of age.

Optometrists were concerned that ophthalmologists would be treated differently, that people would still go to an ophthalmologist and receive the same service but have the medicare system paid for. That is not so in a publication made today by the Department of Health, Mr. Speaker. I'm pleased to be able to state here that the de-insured services of optometrists will be the same for optometrists as it is for ophthalmologists, Mr. Speaker. And I'm very happy to hear that because I was concerned at one point that the optometrists would be placed at a great disadvantage.

And I think this is a very good example of how our government listens to the concerns of all parties in Saskatchewan and responds in fairness when we find if something is brought to our attention that may have an

imbalance to it. So I think this is an early indication that we provide fairness.

Mr. Speaker, I would want to close by saying that every great journey starts with a single step. And I think the first step of our journey was on October 21 in the general election, and the second step was yesterday on May 7 when the budget was brought in by the Minister of Finance.

And I think that budget is a critical point budget. It turns the corner so that we can rise again in Saskatchewan with the co-operation of all people, to be all that we can possibly be together as a community and a great society in this great province of ours.

As I said, every great journey starts with a single step. And I believe that the people of this great province, Mr. Speaker will join us on that great journey and join with us to show that what we are doing today in Saskatchewan may not be totally pleasant, but we make no apologies for it, and the people of the province accept what we're doing.

And I'm sure they join with us on the great journey to taking Saskatchewan back to the place that it should be and the place that rightfully belongs to the people of the province of Saskatchewan and not some government that would run roughshod over the economy and the people and the sense of community.

Thank you for your time, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: -- Thank you, Mr. Speaker. I am pleased to lend my support to the budget for the 1992-93 fiscal year. I'm pleased to do so because of what it stands for -- a first step towards restoring confidence in how this province conducts its affairs. It's a first step towards restoring sanity to government spending. It's a first step towards putting the needs of ordinary men and women at the top of the government's agenda where they rightfully belong, a first step towards restoring confidence in government as an ally of all people working on everyone's behalf rather than that of their friends and their cronies.

Restoring order to Saskatchewan's financial affairs is long overdue. For each of the last 10 years the growth in spending has exceeded the growth in revenue by more than 2 per cent. You can't run a farm that way. You can't run a private business that way, whether you're a corner grocery or a major corporation. You can't run a government that way either, not indefinitely.

The philosopher Voltaire once said that common sense is not so common. It has certainly not been much in evidence for the last 10 years. I support this budget because for the first time in 10 years it reintroduces common sense to government finances. It respects a very basic principle of economics, that there should be some relationship between how much we take in and how much we spend.

This is hardly radical thinking. It is certainly novel in

comparison to what this province has grown accustomed to. If we've learned anything from the past 10 years it's that you can't solve problems simply by throwing money at them. More to the point, our debt burden has reached the point that this approach is simply no longer possible.

We were given an overwhelming mandate for change last year, and change there will be. However, restoring common sense to government's fiscal affairs will exact a price. The legacy of debt that we inherited will constrain what we can do for the people of Saskatchewan for many years to come. However this does not mean that we will ignore our other responsibilities. Instead it requires us to be much more creative in effectively addressing the problems of the day.

This is particularly the case in an area such as education and training. I say this because what we do at all levels of our education system has a large bearing on how the province as a whole performs. Our education system can reshape Saskatchewan's future to a degree unmatched by any other institution save that of government itself.

It prepares our students of all ages for productive, rewarding careers. It gives them the knowledge they need to play constructive roles within their individual communities. Lastly it gives them the ability to enjoy so much more of what life has to offer in terms of leisure and recreational pursuits. The value of this window on the world cannot be measured in dollars and cents.

The performance of our education system gives us a barometer of the kind of future we as a province can expect. When our schools succeed, we all succeed.

Our financial crunch does not mean that we ignore people's needs. These must always come first on any government's agenda. This is reflected in the allocation for education and training in 1992-93, the manner in which we propose to meet the needs of our 300,000 students of all ages.

Mr. Speaker, the budget for Saskatchewan Education will increase by .5 per cent over last year to \$920 million.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: -- This represents an increase of just over 4 million from the '91-92 fiscal year. How this will be spent is just as significant as the amount. We haven't simply picked percentages out of the air and added them on to what was spent last year. We know that doesn't work. More to the point, we know it's no longer possible.

Our debt burden has exacted its price on all levels of the education system. The rise in spending is due mainly to a major increase in funding for teachers' pensions and related benefits.

Mr. Speaker, it is important to understand the reasons for this substantial increase. In recent years government has met the funding requirements for teacher pensions partly from the Consolidated Fund and partly from surpluses in the teachers' superannuation fund itself.

The previous administration drew down on the teachers' own

pension fund. These surpluses were monies in the fund over and above the legally required minimum. The surplus money is now substantially gone. In any case, it would be inappropriate to continue drawing down on surpluses in the fund from previous years when the unfunded liability of the pension plan is already 1.6 billion.

This year we are budgeting for teacher pensions in a more appropriate way. Doing so requires an overall 108 per cent increase in funds for teacher pensions and benefits in 1992-93.

Another measure of government competence is ensuring the needs of those it serves remain ahead of its own. This is particularly so in times of scarce resources such as those we now face.

Mr. Speaker, I am pleased to report that the cost of departmental administration, the cost of running the Department of Education, has been lowered by 11 per cent from the previous fiscal year. That's in keeping with the message that we tried to relay to the third parties when we announced the funding for school boards, universities, and SIAST (Saskatchewan Institute of Applied Science and Technology). We asked them to look in their administrations in shared facilities everywhere except at the teacher and the class-room, which is the only place where education happens.

Those administrative costs will account for just over 4 per cent of total education spending in '92-93. In other words, 96 cents out of every education tax dollar is used to meet the needs of our students and their instructors.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: -- Only 4 cents is used to meet administrative and internal needs. Seventy cents out of every education tax dollar has gone to our major education partners in the form of third-party grants. This includes our kindergarten to grade 12 schools, the universities, SIAST, and the regional colleges.

The remaining 26 cents of the taxpayers' dollar goes to shared cost training programs, contributions to pension funds, and financial assistance for post-secondary students. Forty-five million dollars will be made available this year for provincial student aid.

We are making every effort to ensure that the education tax dollar is used for its intended purpose -- teaching and learning. We will not allow it to be diverted penny by penny to internal administrative costs.

Mr. Speaker, now more than ever, learning is a lifelong process. Not that long ago a high school diploma, university degree, or a technical certificate meant that one had finished school, had finished learning. These days are gone for ever. What we know of the world now doubles roughly every 12 years. This means that almost two-thirds of all jobs created between now and the year 2000 will require post-secondary education of some kind. Moreover 75 per cent of the current work-force will need to return to school for retraining or upgrading of some kind over the course of their careers.

Within this context, our current high school drop-out rate of roughly 30 per cent should send cold shivers down the back of every thinking citizen. The rate of participation in formal education by 17-year-olds is 94 per cent in Japan, 89 per cent in Germany, and only 72 per cent here in Canada. That does not augur well for our future.

We are committed to working with all of our educational partners in capping this problem, but we will do so in a co-ordinated fashion. By this I mean that we cannot face the future with confidence simply by addressing individual problems in isolation. There are many other challenges confronting our schools, and a shotgun approach will not work. Before we can meet people's needs we need to clearly define what those needs are, not only now but into the future in the years ahead.

Consider the following. Our population is undergoing some very major shifts. The demographic make-up of the people we serve is changing, which means their needs change as well. Our population is ageing. Senior citizens now make up just over 13 per cent of our population, and this is expected to rise to 15 per cent within the next 20 years.

We have the highest proportion of seniors of any province in Canada. In small towns of under 2,000, 30 to 40 per cent of the residents are 65 and over. As might be expected, the percentage of young people, those under 20 years of age, is declining. In fact this peaked in 1957 and has been declining ever since.

(1215)

In 1941 the average family size in Saskatchewan was 4.1. By 1988 this had declined to 3.2. This has obvious implications for our school population at the kindergarten to grade 12 level. Elementary and secondary enrolment peaked at just over 250,000 in 1970, and has since declined steadily to the current 200,000. Enrolment seems to have levelled off at or around that number.

Saskatchewan residents are also on the move. In 1931 more than 500,000 people lived on Saskatchewan farms. This has since declined by more than two-thirds. Again there are direct implications for the school population. In 1931, 90 per cent of total school enrolment was in rural areas. It is now under 44 per cent.

Our Indian and Metis population currently accounts for an estimated 12 per cent of the provincial total. This is expected to rise to 18 per cent within the next 15 years.

More to the point, an estimated 18 per cent of Saskatchewan children aged five to 17 are now of Indian and Metis ancestry. This too is expected to show a major increase in the future. So our kindergarten to grade 12 enrolment is currently stable in terms of numbers, but very much in flux in terms of where they go to school.

Moreover, the faces a future Saskatchewan teacher sees in the class-room will reflect a different ethnic mosaic than is now the case. While K to 12 enrolment has flattened out, post-secondary enrolment continues to grow. A greater percentage of our population is now in

the post-secondary age bracket. A greater percentage of our population, I believe, has come to realize the importance of additional education and training beyond the secondary level.

The kindergarten to grade 12 school day and the school year, on the other hand, have not changed to any great extent for decades. They are now largely out of sync with the working day and modern family structures. Our school year continues to reflect the premise that kids have to be home early to milk cows and must take months off in the summer to tend crops.

Women now make up nearly half of Canada's work-force. In nearly two out of three families with two spouses, both partners work. Two-income families are the rule rather than the exception. Only 16 per cent of all families in Canada now fit the model that the school day was designed for, husband at work and wife at home to look after the kids.

We have allowed a huge mismatch to develop between the school calendar and the realities of modern family life. The end result is children who go home to empty houses, children who hang out in the summer or after school with nothing to do, school buildings that sit idle for months in the summer, rural schools that beg for students while urban schools overflow.

Mr. Speaker, this government was given a mandate for change. We were given this mandate in part because of growing realization that the old ways were no longer working. Putting people first means looking beyond their immediate requirements to their future needs. It means assessing our existing education system in terms of its ability to meet those needs. The time is right to step back and take an objective look at all levels of our education system. Is it doing the job it was intended to do? Can it address our future needs? Can it cope with changing enrolments and changing demands by students?

We have already taken the first steps towards finding answers to these questions. A review of SIAST is now in progress. A review of the regional colleges is scheduled for later this summer along with the role of the private vocational schools. In addition we will be establishing a panel to assess our current university structure and taking a look at the overall linkages between our various post-secondary institutions and partnerships with business and industry in technical education.

On the K to 12 side, we will continue to evaluate the new core curriculum now being developed and introduced in our schools. The purpose of the review is to determine if it is accomplishing what we hoped it would and also to establish a more reasonable, affordable pace of implementation.

We will work with all involved to improve the current system. At some point our school system must be restructured to more accurately reflect the demographic facts of life in Saskatchewan.

A new Saskatchewan Education Council is being established to help this process along. It will consist of parents and educators, along with representatives from

the business community, labour, and community groups. The appropriate government agencies at the provincial and federal level will also be represented. This process of review is not an academic exercise or the standard political ploy of stalling for time. A competent government is one that acts on sound advice and one that does as well as plans.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: -- I can guarantee you that the various reviews will not just gather dust on the shelf. We cannot afford to leave things as they are or simply allow what has gone on in the past to continue. We no longer have the funds. We can no longer be sure that what is now in place meets our students' present and future needs. Saskatchewan's first graduating class of the 21st century is already half-way through primary school. Time is of the essence here and the various reviews will be conducted accordingly.

Although our focus is on planning for the future, there are some things that can be done immediately. For example, distance education can play a key role in addressing the needs of our rural student population. Modern technological tools are tailor-made for serving relatively small groups of students spread over wide areas. Accordingly, funding for distance education programs has been largely maintained at previous levels. The regional colleges will receive one and a half million dollars through the education outreach fund to support distance education programs.

Funding for the extension of university library services that support off-campus programming has been maintained. Funding to subsidize adults enrolled in correspondence school courses has been increased in this budget by 95 per cent, from \$190,000 the previous year to \$390,000 in '92-93.

Another area where we can move fairly quickly is that of Indian and Metis education. I will be releasing a report on this in the near future. It was prepared by my department's Indian and Metis education advisory committee and examined how the needs of our Indian and Metis students could best be met through the '90s and beyond.

Another immediate step taken with this budget is the elimination of grants to educational institutions for reading materials. It's not very often that a politician stands up and proudly announces the end of a grant. However, in this case I am more than pleased to do so. This particular grant program was hastily thrown together by the previous administration to offset the impact of the PST on school books -- the tax on learning. This was yet another case of government digging holes and filling them up behind themselves. It was a cumbersome process that simply reinforced all the worst stereotypes about government incompetence.

This program has been eliminated because it is no longer necessary and it is no longer necessary because the harmonized PST, another legacy of the previous administration, no longer exists. Part of the process of restoring competence to public affairs is eliminating situations where government gives with the right hand

and takes away with the left. The PST on reading materials was one such instance that has now been corrected.

Mr. Speaker, earlier this year I announced a freeze on all capital funding for schools. This was done so that we could review existing procedures and see if they were now consistent with our goals and objectives. This review has shown that current practices for capital funding are very much in need of change. Further details on capital spending will be made known on May 15 of this year.

Our schools are places of learning and, to a lesser extent, community centres. They are not political footballs. They will not be under this administration.

Mr. Speaker, no one in this province was expecting a good-news budget. People know the shape we're in financially and they understand that something had to be done. Much of my time over the past few months has been spent discussing our financial plight with representatives of the education system. I want to thank all of them for their many useful suggestions. More importantly, I want to thank all of them for their understanding and their recognition that the public purse is not bottomless and that we must therefore begin to live within our means.

Virtually all of our learning institutions have had to make sacrifices of one kind or another. However, I want to re-emphasize that grants to third parties and other agencies still account for 96 per cent of our total budget. I want to re-emphasize that what we spend on ourselves on running the Department of Education accounts for only 4 per cent.

I would like to turn for a moment to the announcement that was made yesterday with respect to the Family Foundation. Some of the functions which were housed in the Family Foundation, the portion which will not move to Community Services, will be retained within the Department of Education as a signal to the Department of Education's commitment to children and families.

We will continue to assist Saskatchewan communities to address the needs of hungry children. We have increased funding for child hunger services from 740,000 to 1 million, an increase of 35 per cent.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: -- This program will be administered by the Department of Social Services. Staff will continue to work with schools, churches, service clubs, volunteers, agencies, businesses, and governments at all levels to share in the responsibility for feeding hungry children and to address the long-term developmental needs of children and their families.

Education plays a critical role in supporting children, families, and communities. I am pleased to say that innovative and creative public education programs such as the forums about families program and the community education program will continue within the Department of Education. Forums about families sponsors community organized workshops and seminars that explore issues of concern to families and teach family-living skills. Forums

provide an opportunity for communities to plan family education programs that recognize local needs and use local resources.

The community education program helps people develop skills such as budgeting and managing family finances through a network of trained volunteers who facilitate groups in communities across the province.

The Saskatchewan School Trustees Association's recent symposium on the role of the school, with representatives from Social Service, Education, and local government sectors, witnessed overwhelming consensus on the importance of placing top priority on the needs of children and families. These needs are often complex, demanding flexible, varied, and co-operative responses.

We need to consider how all of us -- the school, the community, government, and non-government organizations -- can work as partners to provide integrated and comprehensive service focused on the child and the family. This is particularly important at a time when resources are in short supply and new money is just not available.

I will be working with my colleagues and our community partners to integrate services for children and families in communities across the province with a school-based focus.

Mr. Speaker, the recent throne speech stated that my government is committed to use Crown corporations to help stimulate economic development in the province. I'm pleased to report to you today that SaskTel is playing a significant part in helping this province meet its economic development and public policy goals.

SaskTel generates considerable economic activity and employment within the province, and provides Saskatchewan residents and businesses with access to the most advanced and efficient telecommunication services available anywhere in the world today. Some 83 years after its inception, SaskTel continues to carry out its mandate of being the leader in bringing the benefits of the information age to the people of Saskatchewan.

(1230)

No longer just a telephone company, SaskTel provides local and long-distance voice, data, image, and text services to more than 445,000 residential, small business, and big-business customers. SaskTel International, SaskTel's international marketing arm, is capitalizing on the corporation's technical expertise and management strengths.

In 1992, work continues on a \$41 million project to install and integrate a rural telecommunications network in 10 provinces of the Philippines. This is the largest project to date for SaskTel International, and it will provide approximately 250 rural communities throughout the Philippines with basic telephone services.

SaskTel International is also involved in numerous other telecommunications projects in Canada, the United States, England, Puerto Rico, and Tanzania.

As SaskTel continues to work to provide its customers with the latest information aid services, there are a number of significant contributions being made by this Crown corporation to the Saskatchewan economy.

One of these contributions is jobs. The corporation employs almost 3,900 people in permanent positions. The majority of those people are in Saskatoon and Regina; however there are also employees in more than 60 other communities throughout the province. Besides helping to economically stimulate the communities in which they live, many SaskTel employees donate their time and talent to making these communities better places to live and work.

SaskTel has a long history of support for community activities in all parts of the province, from the volunteer assistance of its employees to its corporate contribution program that provides financial support to hundreds of worthwhile non-profit and charitable organizations within the province.

Mr. Speaker, it's the knowledge and commitment of SaskTel employees that make the application of SaskTel's new technologies more valuable to their customers. Because along with knowing the business of telecommunications, the SaskTel people know the business and the background of the customers they serve.

Another SaskTel contribution involves technology. SaskTel's 10-year, \$500 million digital switching program scheduled to be completed by 1995 will make the company one of the first in Canada to offer its customers the benefit of fully computerized switching. What that means is that no matter where customers live or work, that they will have equal access to an ever increasing number of advanced telecommunications products and services.

Technology provides the edge that Saskatchewan-based businesses need to operate successfully in a global market-place and to lessen the impact of the current recession. It's no secret that many Saskatchewan businesses and industries are developing a reputation for excellence and for business capability. Many businesses have acknowledged that the strategic use of telecommunications is one of their keys to financial success. They're using new telecommunications technologies to improve productivity, to cut costs, and to compete more effectively in the national and international market-place.

It's also true that an increasing number of businesses are looking at Saskatchewan as a potential spot to relocate or establish new business. I know that many different things are attracting them here -- more affordable operating costs, a better quality of life for employees, availability of raw materials, just to name a few.

However in many cases, especially for companies relying on the gathering, processing, or distribution of data or for industries where distance and location are no longer relevant to their business, the availability of world class communications capability has a lot to do with those businesses' decision to locate here in Saskatchewan.

Mr. Speaker, another way SaskTel is helping Saskatchewan businesses remain competitive in the market-place of the 21st century is through new products and services. Telecommunications is becoming an integral part of doing business, providing many more ways of reducing operating costs, freeing up money for research and development.

SaskTel's investment in new technologies has also contributed to lower operating and maintenance costs. These savings have been passed on to customers in a series of long-distance rate reductions over the last few years. The cumulative impact of these reductions is significant. The cost of out-of-province long-distance calls has decreased by an average 30 per cent.

SaskTel is one of the province's largest Crown corporations. Under its 1992 capital budget program, it will spend approximately \$112 million on telecommunications equipment to meet consumer demands. Many of these dollars will remain right here in Saskatchewan as SaskTel buys goods and services from local businesses throughout the province and creating jobs in the construction industry. Over 78 per cent of SaskTel's total purchases are Saskatchewan made.

SaskTel has a supplier development program in place. One of its functions is to put provincial suppliers in touch with company personnel who might not be aware of the local capabilities available.

Mr. Speaker, SaskTel has an ongoing commitment to research and development within the province. SaskTel spends more than \$6 million per year on telecommunications research and development. Some current projects include sponsorship of the Saskatoon branch of the TRL, the Telecommunications Research Laboratory. SaskTel R&D (research and development) is currently testing automatic meter reading to residential customers. There are 39 homes in Saskatoon participating in this trial.

Mr. Speaker, as I stated earlier, SaskTel has been developing into an acknowledged leader in the telecommunications industry. As citizens of Saskatchewan, we can be proud of the fact that SaskTel has been providing us with access to affordable, high quality service while maintaining rates for basic telephone service that are still among the lowest in North America.

However, Mr. Speaker, this is about to change if the federal government has its way. In August 1989, a decision by the Supreme Court of Canada gave the federal government the basis to regulate telecommunications nationally. Now the federal government intends to take the control of telecommunications regulation across the country. Consequently SaskTel would be regulated by the CRTC (Canadian Radio-television and Telecommunications Commission).

We expect that if this happens, it will have an adverse effect on SaskTel's ability to respond quickly to customer and market demands and on their ability to continue their

role as an instrument of provincial public policy. Federal regulation of SaskTel will also mean the imposition of added costs and bureaucratic red tape.

SaskTel estimates the additional expense will be \$6 million per year. Virtually every major action by SaskTel -- including all rates and prices, new products, corporate initiatives, rates of return, and new construction -- will require under CRTC regulation prior approval, severely limiting the company's flexibility and ability to respond promptly to changing industry conditions and business requirements.

Another threat to SaskTel's financial well-being is the potential of competition in long-distance that was advocated by Unitel and BC Rail/Lightel in hearings before the CRTC during the summer of 1991.

We're opposed to this kind of competition because SaskTel's basic rates would have to rise to offset lost long-distance revenues through bypass and Unitel-style competition. In Saskatchewan that revenue loss is estimated at between 35 and \$70 million per year. Some of the shortfall would have to be made up in the form of higher rates for basic and other money losing services.

Mr. Speaker, this will directly affect SaskTel's customers, the taxpayers of this province. A recent exhaustive study into Canadian long-distance competition predicted that 90 per cent of telephone customers would experience higher telephone rates if Unitel-style long-distance competition is permitted.

Mr. Speaker, my government opposes both federal government regulation of SaskTel and unfair competition in the long-distance market-place. However, Mr. Speaker, my government is committed to ensuring that SaskTel is dedicated to improving the quality of life and the environment in our province through jobs, leading-edge technology, state-of-the-art products and services, quality customer service, competitive rates, and research and development investment. All of these are part of my government's plan to enhance economic opportunities in this province. We have the ability to attract businesses and industries to Saskatchewan, to stay in Saskatchewan, and to succeed in Saskatchewan.

Mr. Speaker, I want to conclude by saying that we clearly have a long way to go in restructuring Saskatchewan for the 21st century. We have a long way to go in terms of getting Saskatchewan back on a solid financial footing, but we've taken the first step with the budget for this fiscal year -- a first step towards deficit control, honest government, and a capable, common sense approach to the conduct of our affairs. We're moved to halt the slippery slope down the slide of pork-barrel public administration and carefree spending.

As Winston Churchill once said:

. . . this is not the end. It is not even the beginning of the end.
But it is, perhaps, the end of the beginning.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- Thank you, Mr. Speaker. Mr. Speaker, it's a pleasure for me to enter into the debate on the budget and to express my support for it.

I would like to offer my congratulations to the Minister of Finance on his budget. I believe the budget that we have before us, given the realities that we face in the province, is the best balance that can be found. On the one hand, we have a need to move towards a balanced budget; and on the other hand, we must be careful that we don't do things that we don't want to do to people that . . . when we try to move too fast towards a balanced budget.

I'm sure, Mr. Speaker, it's no surprise to you that I rise to support the budget speech and the direction that it starts us in. It's a new direction and a changed direction.

The budget has renewed my hope for our province. It has renewed my confidence that after nine and a half years of waste and destruction under a government which chose to squander the resources of our province and to give away our resources that, at last, now things are going to change.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- And change they must because we are faced with the highest per-capita debt of any province in the nation of Canada. And this cannot go on.

It's spring, Mr. Speaker, and I'm a farmer. And this is the first spring in my life -- because my father was a farmer -- and it's the first spring in my life that I've had no calves to look after and no farming to do, and quite frankly I miss it. And sometimes I wonder why I'm here. What am I doing here?

But here it is. This is the reason that we're here. This is the reason that I ran and the reason that I'm here today, is to try to restore something to this province that has been lacking, and to stop the crime that was going on.

Some Hon. Members: Hear, hear!

(1245)

Mr. Keeping: -- Mr. Speaker, the first major heading in the speech could be called, putting our financial house in order. And I remember the election promise card -- first things first: putting our financial house in order. And here it is. We simply cannot afford to continue the practices of the former government. Saskatchewan cannot afford it. We must restore something to this province that has been missing for nine and a half years, and that's financial responsibility. The management of the public purse has been lacking. We as a government have to learn to live within our means.

Mr. Speaker, this is the third time that a New Democratic government or a CCF government has had to come into this province and restore fiscal responsibility to this province and clean up the mess that was left after a government of one of the old-line parties. And they claim to be business-like.

But after looking at the Gass Commission report I can honestly say, and anyone that reads it will say, this province has not been governed in a business-like fashion for nine and a half years.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- I say the third time, and I meant it. The first time was in 1944 when Tommy Douglas came into a bankrupt province and began to restore the province by balancing the budgets and developing and planning programs that have been the envy of other provinces and copied by other provinces and other countries all over the world.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- The next time, Mr. Speaker, was in 1971 when Allan Blakeney's government came in to restore the damage during the Thatcher years. And people should remember this. At that time the standing joke in the province was: will the last one to leave the province please remember to turn out the lights. I remember that. Mr. Speaker, here we go again, another mess -- the third one -- and I can honestly say this is the smelliest one to date.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- Mr. Speaker, I hope we remember how we got into the mess we're in today, teetering on the edge of bankruptcy as we are. I hope people remember, and I believe they will, Mr. Speaker. Although the members opposite try to divert attention away from the facts, I believe the people will remember under what leader we got into the problems we're in today. And God help us if we don't remember, because those who do not remember the mistakes of the past have a tendency to repeat them later on. God forbid that that should happen, Mr. Speaker.

I farm in the north-east part of the province, a part of the province that has a very pretty countryside. And we have a lot of tourists there, especially in the warmer time of the year, the summertime. And the lady from Nova Scotia told me a story that perhaps will explain why I believe this province and the people of this province will remember.

It seems that when she grew up in Nova Scotia she had to walk to school, as a lot of us had to when we were growing up. And on the way home from school in the springtime the water was running and the snow was melting, and the children would stop and play in the mud and water. And we know how it is as parents, our kids come home with mud on their clothes and their boots full of water. And this is what was happening.

And she got instructions from her mother -- don't do this. Don't play in the mud. But she came home from school and played in the mud and dallied along the way. And she came home wet and dirty and late.

And her mother asked her at the door and asked her to explain herself, to explain the mess. Well, Mr. Speaker, she tried to explain herself. She said I fell down, others

pushed me. She said my boots are wet because I sweat a lot. She said, my boots are wet from the day before. She had all kinds of excuses -- good words; she thought they were reasons at the door.

Mr. Speaker, her mother just picked that little girl up and sat her . . . stood her on the kitchen stool where the mother usually sat as she worked. And that little girl looked out the kitchen window, and all at once she noticed something that her mother wanted her to notice -- that her mother had a perfect view, perfect vision all the way to the schoolhouse and all the way home. And she had been sitting there watching her daughter come from school.

And all the words and all the excuses, no matter how eloquent they were, weren't going to convince her mother because she had been watching. And she realized that no matter how much she complained and how much she tried to deflect the criticism of her mother, it was going to fall on deaf ears.

Mr. Speaker, all these eloquent speeches that are made by the members opposite will not change what the taxpayers of this province have seen with their eyes. And they've experienced it with their families and their neighbours, and they have seen the deterioration in this province. And they have seen it and experienced it, and they will remember.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- But, Mr. Speaker, in spite of the mess we're in in the finances of our province, there is some reasons for hope in the budget. Local businesses are today, as they always have been, the best way of employment and opportunities. The days of the large megaprojects where the Saskatchewan taxpayers have to put up the capital and take all the risk are over. And I say, good.

Mr. Speaker, in a combined effort to ensure our future power supplies and create economic activity and job creation, we are looking at nine different proposals of co-generation power projects. These projects are all in rural communities and have economic importance for development in the potential they have.

Mr. Speaker, co-generation is the way of the future. It involves taking waste heat from industry and heating plants, turning it into electricity, and then incorporating it into the power grid. It's new, it's economical, and it's cheaper; and it's totally different than the projects like the Rafferty-Alameda scandal.

As you know, Mr. Speaker, I'm on the environment and resources caucus committee. And what a disaster this project has been for our province. Millions of dollars in cost overruns, no water, lawsuits, more lawsuits, still no water. And no one knows if it ever will work. No one knows if it ever will work.

Now, Mr. Speaker, turning to another matter, I was glad to see in the budget speech that independent accounting principles are being adopted, making government spending more accountable. Among the important

changes in this area, we're also going to have a code of ethical conduct for members of the Assembly, that will have high standards of behaviour. A new Conflict of Interests Act will be introduced to provide guidelines for all elected representatives in the performance of their public duties.

Mr. Speaker, I believe that the public wants individual elected representatives to have a stronger voice in government and the daily decisions. All-party committees are going to be revitalized to give a better role for individual members. And after the examples of the last nine and a half years, people are asking for a more accountable government. They're asking for a more open government, and they're asking for a more honest government. And our government intends to respond.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- Mr. Speaker, I am a farmer, and my constituency is made up of farmers and agriculture based industry, and in the budget speech it recognizes that we need long-term stability for our farms and our farm families.

The gross revenue insurance plan, the net income stabilization plan were a beginning, but they're not enough. We would like to put the gross revenue insurance plan on a cost-of-living formula . . . a cost-of-production formula rather, I should say, a realistic one. We would like to increase Ottawa's share of the premiums and reduce the producer premiums because, Mr. Speaker, because the major problem in grain prices today is the fact that other countries are subsidizing their farmers with federal tax dollars. And a province the size of Saskatchewan cannot afford to compete with federal governments.

Ottawa should live up to its responsibilities towards agriculture. Other countries are doing it and our federal government has to respond. We believe, Mr. Speaker, that the federal government owes us as farmers in western Canada over \$500 million. It was the so-called third line of defence that never came about. It was promised but it never happened and we haven't forgot that promise yet.

Mr. Speaker, I think the people of Saskatchewan made the right choice on October 21. They examined the record of the previous government and they examined the record of our governments in the past. And I believe they found, as I'm sure anyone would find, that we put people first. Even though they know that we must get our spending under control, they trust us that we won't do it on the backs of the poor and underprivileged. They expect us to be fair and to remember compassion. And we will.

Local programs that deal with hunger and nutrition for children will be enhanced. The funding will rise by 35 per cent in this area. That's compassion. That's fairness.

Mr. Speaker, breaking the poverty cycle means creating new employment opportunities and training as you work.

We already have moved in this area, and there's more to come. Mr. Speaker, we are planning to achieve a gender balance on all government agencies, boards, and

commissions, and we're going to increase aboriginal representation, recognizing that they now are 12 per cent of the province's population.

Mr. Speaker, there are two reserves in my constituency, and they are pleased to see the start we have made in correcting mistakes of the past. They have been very patient until now. And they look to us, to our new government, for co-operation that they can participate in this province -- participate with respect and be proud of their culture, proud of their customs and their traditions.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- Mr. Speaker, the budget speech is part of our new plan and new direction to rebuild Saskatchewan together. We have not been afraid to tackle the challenges ahead of us. We've started taking this province in a new direction. This is what the people elected us for and this is what we're doing.

I believe, Mr. Speaker, that the people of this province are up to the task. I believe the new government is up to the task. And we will show the rest of Canada again, in fact we will show the world that just as in days past, the people of this province do have what it takes for the job. And we will do it again.

Some Hon. Members: Hear, hear!

Mr. Keeping: -- There is, Mr. Speaker, just one more thing I would like to comment on before I take my place. I'm surprised by the comments of the members opposite, the comments as, we had our priorities right -- oh? -- everything was in order.

Mr. Speaker, in light of the facts, it seems almost unbelievable to me that anybody would say these things -- to take our province in less than 10 years from a province that owed very, very little and add over \$10 billion. That's more than a billion dollars a year -- added dollars, new dollars. That's \$40,000-plus for a family like mine, a family of four, added taxes owing. Don't tell me that everything was in order. Don't tell me that's all right.

Some Hon. Members: Hear, hear!

The Deputy Speaker: -- It now being 1 o'clock this House stands adjourned until Monday at 2 o'clock p.m.

The Assembly adjourned at 1 p.m.