

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

Ms. Haverstock: -- Mr. Speaker, I give notice that I shall on Friday next ask the government the following question:

Regarding the Department of Health and recent changes to the prescription drug plan: (1) why is the eligibility for benefits under the new plan based on gross income rather than net income; (2) how many farm families in rural Saskatchewan whose gross incomes are much larger than their net incomes will now be denied benefits under the new plan; and (3) did the minister do any study to determine how many people might be negatively affected by basing the plan on gross rather than net income?

Thank you.

INTRODUCTION OF GUESTS

Mr. Scott: -- Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the Assembly, two guests in the west gallery, Mr. and Mrs. Tony Deck of Vibank, very good friends. And I ask the members join with me and us in welcoming them here today.

Hon. Members: Hear, hear!

Mr. Goohsen: -- Thank you, Mr. Speaker. I would like to introduce to you and through you, Mr. Speaker, today two gentlemen sitting in your gallery. We have with us Randy Taylor and Herb Gerger. They are agricultural employment service managers from Swift Current and Weyburn respectively. And I would be sure that the member from Weyburn would like to join with us in welcoming these gentlemen. Please welcome them to the Assembly today.

Hon. Members: Hear, hear!

Mr. Carlson: -- Thank you, Mr. Speaker. I'd like to introduce to you and to the rest of the members of the Assembly my constituency assistant, Jeff Ritter, who's sitting in the east gallery. He's down here today and he'll be watching question period. And I'd just like everybody to welcome Jeff to the Assembly this afternoon.

Hon. Members: Hear, hear!

Hon. Mr. Mitchell: -- Mr. Speaker, in your gallery there is a group of 18 public servants who are here. You will recall, Mr. Speaker, about two weeks ago we had a previous group similarly spending the day in the legislature, learning what it is we do here and what services are available. And I'd like to introduce this

group to you and through you to members of the legislature and ask that we welcome them.

Hon. Members: Hear, hear!

Mr. Jess: -- Mr. Speaker, I'd like to introduce to you and to this Assembly Alec Adel and Klarissa Kormarnicki, business people from the city of Hafford in Redberry constituency, in the west gallery. I'd like to have you welcome them.

Hon. Members: Hear, hear!

Mr. Wormsbecker: -- Mr. Speaker, I'd like to introduce one of my constituents to you and through you to the Assembly, one of my constituents from Weyburn, a long-time friend of mine, Mr. Herb Gerger. He's sitting in your gallery, Mr. Speaker. Welcome, Herb. And everybody please join in.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Education Department Lay-offs

Ms. Haverstock: -- Thank you, Mr. Speaker. I direct my question to the Minister of Education. Madam Minister, you recently fired 20 senior officials in the Department of Education. The people who have the collective expertise to deliver what you've told this House is your education plan is now gone. And now that the dust has settled it appears that the experts are gone but the positions remain. Can you explain to the taxpayers of Saskatchewan why these individuals were fired?

Hon. Mrs. Teichrob: -- Mr. Speaker, I thank the hon. member for that question. First of all, I want to say that our commitment to the strategic plan for the K to 12 system, **Directions**, is not going to be compromised, that we are committed to that vision.

Then I want to say that ever since we became aware that the amount for funding education in this province would have to decline due to the waste and mismanagement and the running into the ground of our economy by the members of the opposition, we have stated again and again that we wish that as little money as possible will be spent on administration so that scarce dollars can find their way into the classroom, which is the only place in this province where education happens. It doesn't happen in administrations.

We have set an example by reducing the administration in the Department of Education by 12 per cent last year and by 10 per cent again this year. And I think if we're to carry out the objective of having scarce dollars reach the classroom, then we have to trim the size of our administrations.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Madam Minister, the experts who

have lost their jobs were hired by the Public Service Commission, through the Public Service Commission. They were trained and improved their level of expertise at the expense of Saskatchewan taxpayers. They are educators, they are professionals, and they in fact very recently received superior ratings for their work.

Now they are considered an asset to the province of Saskatchewan. With a stroke of a pen you've eliminated them. Now you say you're committed to the core curriculum. But the corporate memory now of the Department of Education is about three days old, thanks to this decision.

Now is this not an admission that you do not value the collective expertise of these people that you fired? Or can you promise that you can replace these people -- the only people with the expertise in core curriculum -- with others who have better qualifications, and do so with less money?

Hon. Mrs. Teichrob: -- Mr. Speaker, I am wondering if the member opposite has had some kind of a conversion on the road to Damascus. I think we were being encouraged by the independent member from Greystone to cut deeper.

We have reduced our administration. We cannot reduce the cost of administration in a department by 22 per cent, unfortunately, without affecting some people's jobs. And we have no question about . . . in terms of competence; it is simply a reorganization and a downsizing.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. Madam Minister, I talked about starting at the top in government -- in government -- in places like your department, in places like the Premier's department, and his speech-writers and all these other kinds of individuals who are paid a pretty good price.

Now the people of Saskatchewan are very prepared to make sacrifices, but they are not prepared to put up with irrational decisions for political reasons. The budget was about making choices. It appears that this is a perfect example of the failure to set education of Saskatchewan children as a priority. And to deliver quality programs, one needs experience, we need expertise, we need continuity, and we need an understanding of the plan.

And once you get rid of this, what's the worth of a system? Why would any top-line people come to this province and work for this government when they see what happened under the Conservatives in 1987 come all over again in 1993?

Hon. Mrs. Teichrob: -- Mr. Speaker, I want to reiterate for the benefit of the hon. member that there is nothing political about the reorganization of a department. We are downsizing. We have followed a model for many years where the Department of Education was very small and when there was a job to

do like curriculum development, teachers -- creative, competent teachers from the field -- were seconded, did the job, and then went back to their school division.

The Department of Education has increased in size to an establishment of 457. Twenty-four people is really a very small proportion of that establishment. We are reorganizing and we are downsizing. There is expertise and creativity throughout the 12,000 teachers in this province and we will be able to have support to meet our vision in education.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. Madam Minister, the point is this: you have fired people; you have not eliminated positions. And I think that you're misleading the people of this province, because if you look at your new organizational structure, if you look at the organizational structure, you have not eliminated positions.

And what you're saying is that you're downsizing administration. You've replaced these talented people with one person who was fired in the shake-up in 1987; you've replaced him with some people whose great credit is that they worked for you and your colleagues on Executive Council.

How, Madam Minister, is getting rid of the expertise in the Department of Education going to serve the children and the taxpayers of our province?

Hon. Mrs. Teichrob: -- Mr. Speaker, if the hon. member will refer to the budget book, to the **Estimates**, she will see that the amount for administration in the Department of Education that is budgeted for the upcoming year . . .

The Speaker: -- Order, order. I would like to just ask the member from Morse to please stop interrupting.

Hon. Mrs. Teichrob: -- Thank you, Mr. Speaker, In the budget book you will note that there is a reduction of \$585,000 allocated for administrative salaries in the upcoming year.

I also want to say, with respect to the vision and the plan, that the K to 12 system in this province is the only part of the education system at the moment that does have a strategic plan, called **Directions**, which was developed in a very public process of great involvement by all stakeholders in the education community, and we are committed to carry out that plan.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. Madam Minister, you have fired the assistant deputy minister of Education, the executive director of evaluation, the executive director of curriculum and instruction, the director of finance and operations, the director of Indian and Metis education branch. And the list goes on.

All of these individuals are considered in the province of Saskatchewan to be the experts in core curriculum -- the experts. And what you've done is to act as though human resources don't have any value. You are the people who stood up and yelled and screamed about what was going to be lost with the Potash Corporation of Saskatchewan when it was sold at a loss. This is equally significant. We are talking about the fact of losing strength and expertise in the province of Saskatchewan.

I ask you: please, have you fired these people -- they would like to know -- have you fired these people because they disagree with your plan? Have you fired them because you have someone better to replace them with? Or have you fired them simply to save money, when you haven't even eliminated the positions?

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: -- Mr. Speaker, I would like to make the observation for the benefit of the member, that there is still an establishment, even with 24 less people, of 433 staff in the Department of Education, so that we do have adequate resources to carry out our plan.

It's unfortunate in downsizing and in reducing expenses that jobs have to be affected, and I regret that. But I think the hon. member who poses the question is the one who wants us to cut deeper. Again I say, where is the consistency?

Some Hon. Members: Hear, hear!

Health Care Funding Cuts

Mr. Neudorf: -- Thank you, Mr. Speaker. The question is to the Minister of Health. Madam Minister, Saskatchewan people are now starting to see the hurt that your budget is going to cause. People are starting to realize that what they saw last Thursday, as brutal as it was, was only the tip of the iceberg. And that is, Madam Minister, what I'm going to suggest, that indeed this is the iceberg budget.

It's cold. It's hard. It's worse than it appears at first glance. And 90 per cent of the hurt is hidden below the surface, where you want to keep it hidden so that the people would not be aware of the pain that you are inflicting.

Well, Madam Minister, the details of your iceberg budget are starting to float to the surface. And the very people who voted for you, who counted on you to help them, they are starting to realize the extent to which they have been betrayed.

Now, Madam Minister, your party promised to restore funding to the Myers House and keep it open if you were elected. This morning it was reported that you have broken this promise, that Myers House is slated for closure by your government.

Madam Minister, don't duck the question. Can you confirm that you have broken your word, that Myers House will indeed be a casualty of your iceberg budget, and that you have betrayed the people who counted on you?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: -- Thank you very much, Mr. Speaker. I will confirm that as a result of this very difficult budget the funding for Myers House has been eliminated. But I want to be, I want the member to be, very clear about commitments made.

A year ago discussions were held with those folks involved with Myers House and it was made very clear at that time that the entire situation regarding addiction services in Regina would be reviewed and no guarantees were made in terms of ongoing funding.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Thank you, Mr. Speaker. I asked Madam Minister to please not duck the question, but she chose to.

And, Mr. Minister, I say to you that your member there from Regina made a very, very clear commitment that there would absolutely be no closing of that house and the folks at Myers House were counting on you as a government to maintain it, a very decisive, clear commitment. Don't duck. Don't try to renege on that type of promise.

And, Madam Minister of Health, I say to you again, Mr. Speaker, the full extent of the pain caused by your iceberg budget is beginning to surface. Employees at the Souris Valley Regional Care facility have been told that the facility will be closed within five years -- another hidden casualty of your iceberg budget, Madam Minister.

Our office received a call yesterday from a young woman employee at the facility, an NDP (New Democratic Party) supporter by her own admission, who wanted to know why you had betrayed her. But, she says, you would not even return her call.

Will you confirm, Madam Minister, your intention to close this facility, to abandon the people who need the special treatment this facility provides, and to end 400 jobs in Weyburn? Can you confirm your intention to close this facility, Madam Minister?

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: -- Mr. Speaker, I do not accept on face value what the members opposite say about telephone calls because I've had them make these allegations before and when I check it out, there has been no personal telephone call placed to me. So I don't accept what they say on face value in that regard.

The Speaker: -- Order, order. You simply have to

allow the minister to answer the question. We can't have these constant interruptions.

Hon. Ms. Simard: -- The members opposite, Mr. Speaker, don't want to hear the information because their interest isn't in information, it's in politics and misinformation as opposed to information.

And if we want to talk about icebergs, let's talk about the \$15 billion iceberg that you created over a period of 10 years -- \$15 billion iceberg. If there is hurt in this province, Mr. Speaker, it is because of what the members opposite did when they betrayed the people of Saskatchewan by making wrong decisions, misguided decisions, and wasting money in a very ridiculous and terrible manner. That's the hurt that's been created in this province.

With respect to Souris Valley, Mr. Speaker, what is occurring in Souris Valley is that there is a funding reduction in order to reduce the number of bed ratios. We have put out an institutional package that sets out the bed ratio target in the province. The reduction in funding that will take place this year and in subsequent years is going to move the Weyburn area closer towards bed targets. The facility will be managed by the district board in the final analysis. And the district board will be making a decision as to what is to happen with Souris Valley. I cannot say at this time, Mr. Speaker, whether that would result in this facility being closed or not.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Thank you, Mr. Speaker. I want the public to be very cognizant of the minister's answer. She said both things that we have been accusing you of. Number one, she said, we will decrease funding so the facility can no longer maintain itself; and secondly, the decision to close will not be mine, it will be the health board's.

Madam Minister, that's the problem with your plan -- underfunding and then blaming the health boards, and take your dirty work and do the dirty work for you. That's the nutshell. And it's clear now, Madam Minister, that your iceberg budget contains many more of these casualties, of these betrayals hidden below the surface, Madam Minister, where you are hoping that the people of the province will not find them.

Will at least, Madam Minister, you have now the decency to table the complete list of facilities that your iceberg plan plans to sink over the next couple of years? Will you have that decency, Madam Minister? Do you plan to close Whitespruce? Do you plan to close the Saskatchewan Hospital in North Battleford? Bring the rest of your iceberg budget to the surface so that the people of the province can see to what extent you are prepared to betray them.

Can you do that, Madam Minister? Once and for all, come clean. Come into the sunlight; get out of the shadows.

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: -- Mr. Speaker, the only betrayal in this province is the betrayal that took place in the last 10 years.

Some Hon. Members: Hear, hear!

Hon. Ms. Simard: -- That is a betrayal of enormous proportions with those members pretending that there wasn't a financial crisis and misleading everybody in the province and spending money like drunken sailors. That was a betrayal of the Saskatchewan people. What we have done in Saskatchewan is we've set out a plan. We've indicated clearly that we want communities and workers and facilities involved in the consultation. We have also very openly -- something the members opposite would never have the courage to do -- put out an institutional package and set bed targets for districts.

When the district boards are in place -- and I believe this is the only logical way to do it and the only fair way to do it -- they will do a needs assessment within their district. They will move their institutional sector towards the bed targets that we have upfront and straightforward put out for the Saskatchewan people. And the decisions will be made in the context of a district by people from the local communities, with direct guidelines and direct instructions from the Department of Health in terms of bed targets. That's rational, that's fair, it's logical, and it's open with respect to the people.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Thank you very much, Mr. Speaker. Madam Minister accuses us of being drunken sailors, Mr. Speaker. Well I'm glad to see that she is sober today. Obviously we're not getting much of a response from the Madam Minister of Health, so I'm going to turn to another part of the iceberg budget, if I can make myself heard over the catcalls. And another minister I would like to turn my attention to, who also has clearly betrayed her word to the people that she was elected to help, and that is the Minister, Mr. Speaker, responsible for Seniors.

Madam Minister, I know that you of all people must have had the hardest time stomaching the betrayal of Saskatchewan seniors contained in this budget. These are the people who supported you and counted on you to support them. And what did they get in return? Lurking below the surface of your iceberg budget is the biggest single attack on Saskatchewan seniors in the history of this province, Mr. Speaker. Your government's devastation of the drug plan and cancellation of the heritage program are a complete betrayal of the people who built this province and I daresay many of the people who helped build your party. Do you really support the hurt that your government has inflicted on seniors, and if so, how do you justify this betrayal?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: -- Thank you very much, Mr. Speaker. I want to thank the member for that question. Mr. Member, there's no question that the difficult decisions that had to be made by the government members caused us some distress. There's no question about that.

And I find your question interesting because I would like to know where you were for the past 10 years. I would like to know where you were in 1989 and 1990 when your government spent \$350,000 on glossy budget documents. I'd like to know where you were when your government spent \$400,000 on new stripes on the STC (Saskatchewan Transportation Company) buses.

Because of your waste and mismanagement, Mr. Member, we have had to make some difficult choices. Had you been anywhere in the last 10 years, those choices wouldn't have to be made today. So I think, Mr. Member, you need to think about what you did for 10 years. Look in the mirror, Mr. Member.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Thank you very much, Mr. Speaker. To the same member, and unfortunately, Mr. Speaker, time does not permit me to outline the advantages that the seniors have had over the last 10 years. Suffice it to say that we did have the Saskatchewan Pension Plan, we did have the Saskatchewan heritage program, we did have a drug plan, we did have interest-rate protection for these seniors, and we did not have a six-year moratorium on the construction of nursing homes, Madam Minister. That's what we did for seniors. And your own people now . . .

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Your own people -- I say to the Premier and to the Minister of Finance, Minister of Health, and you, Madam Minister, as the Minister of Seniors -- your own people are condemning the hurt and the suffering that you are inflicting on seniors in this province.

A former NDP cabinet minister says that he hasn't talked to a single senior citizen who has a favourable review of the budget. When the Deputy Premier here, the minister who is in charge of polling and advertising, gets an increase of \$800,000 in his personal operating budget, the people are saying . . . and shaking their heads and they are saying, what's going on? So this NDP former cabinet minister says that the people who put this budget together had mud for brains -- mud for brains, a former NDP cabinet minister . . .

The Speaker: -- Order, order. Order, order. The member has gone on for a considerable time. Does he have a question? I want the member to put his question now.

Mr. Neudorf: -- When the NDP cabinet minister said that the people responsible for this project, this budget, had mud for brains, I ask, I ask: how can you

justify the hurt that you have inflicted on seniors when a former NDP cabinet minister can't find one single senior who thinks that this budget is the right thing.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: -- Mr. Speaker, I want to thank the member for that question. Mr. Speaker, my grandparents came to this province in 1903, along with many other grandparents. They saved, Mr. Speaker. They said, a penny saved is a penny earned. They saved for their children and grandchildren's future. Today we are faced with a horrendous situation. We have a \$15 billion debt. We spend \$750 million on interest -- interest that wasn't there in 1982, Mr. Member.

Now I will say this to you. You can stand in this House and you can lecture us and you can talk about senior citizens, but senior citizens are asking you this: where were you when you put \$500,000 into High R Doors and the money was lost? Where were you when you spent close to \$400,000 on 60,000 square feet at the Ramada Renaissance.

Those kinds of decisions, those kinds of decisions have led to the kind of decisions we've made today. I don't particularly want to talk about the past, but the historical fact is that your waste and mismanagement has caused us to do the kinds of things that were brought in on the budget on March 18. We have no apologies, but you certainly should have, Mr. Member.

Some Hon. Members: Hear, hear!

Mr. Devine: -- My question is to the Minister responsible for Seniors. Madam Minister, I want to remind you that when you were in opposition and seniors were asked to pay a modest amount for prescription drugs, you said seniors will now have to choose between groceries and prescription drugs. That's what you said when you were here.

Now we see the betrayal of seniors in terms of all kinds of cost increases where former NDP cabinet members will say, this is without precedent, the dumbest thing that they've ever seen. The people must've had mud for brains when they put this together. The NDP will not be re-elected unless they turn this thing around.

What do you say to seniors today after a budget like that when you said, when we had it fully covered, that they will have to choose between groceries and prescription drugs? What do you say to them now, Madam Minister, given your budget decisions?

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: -- I want to thank the former premier for that question. Mr. Premier . . . or, Mr. Minister from Estevan, member from Estevan, in October of this past year we increased the senior income plan by \$10 to seniors in this province -- \$10 per month.

We have a prescription drug security program so that no senior in this province will go without . . .

The Speaker: -- Order, order. Will the members in the opposition please come to order. We can't have constant interruptions. I can't even hear the minister speak.

Hon. Ms. Atkinson: -- To recap, Mr. Speaker, we increased the Saskatchewan Income Plan by \$10 per month in October, 1992. We have a safety net program in this province so that no person that requires prescription drugs and can't pay for them will go without. We have made that commitment to the most vulnerable people in our province.

But I guess I have to ask that former premier, I really have to ask him, where was he, where was he when he spent \$700,000 to Rothschild & Sons for advice on privatization, plus \$3,000 a day. I have to ask him, where was he when he gave \$300,000 . . .

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

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

Hon. Ms. Atkinson: -- Mr. Speaker, I'd ask for leave to introduce some guests.

The Speaker: -- Does the member have leave to introduce guests?

Leave granted.

Hon. Ms. Atkinson: -- Mr. Speaker, in the Speaker's gallery are two people that I would like to introduce to this House. One is Alvin Hewitt who is the former president of the New Democratic Party of Saskatchewan and also from the constituency of Biggar. I want to welcome him to the legislature. He has known my family for a good number of years. He and my father were involved in a number of events in this province. So I welcome him.

The second person I'd like to introduce is Elaine Driver who is presently the president of the Saskatchewan New Democratic Party. I've known Elaine for a number of years. We too have had some experience in some special political activity in this province over the past 20 years. And I want to welcome her to the legislature as well.

So I'd ask all members to join me in welcoming these two guests.

Hon. Members: Hear, hear!

MOTIONS

Membership of the Standing Committee on the Environment

Hon. Mr. Lingenfelter: -- Mr. Speaker, with leave of the Assembly, I would move, seconded by the

member for Saskatoon Greystone:

That the name of Ms. Haverstock be removed from the list of members on the Standing Committee on the Environment.

I so move.

Leave granted.

Motion agreed to.

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. Ms. MacKinnon that the Assembly resolve itself into the Committee of Finance, and the amendment thereto moved by Mr. Neudorf.

Mr. Trew: -- Thank you, Mr. Speaker. It is my pleasure to conclude my remarks this day, the remarks I started last evening about this historic budget that we're addressing in the legislature today. Briefly, what I covered yesterday was about this budget being one of securing our future and how proud I am to stand and support this particular budget as we secure our future and turn the corner for all Saskatchewan people.

I outlined . . .

The Speaker: -- Order, order. Order. Could we please cut the noise a bit? Order.

Mr. Trew: -- Thank you, Mr. Speaker. Yesterday I was talking about some of the frustration that we all feel about the budget -- a frustration that all too often is tied up in a misconception that is partly our own doing. Because as government members, we try and be as open and honest and accountable as we possibly can be, and we take some considerable pride in pointing out that the measures we have taken since coming to government, since becoming the government in 1991, the measures we have taken have reduced the annual deficit by nearly \$900 million.

Some Hon. Members: Hear, hear!

Mr. Trew: -- The frustration is that despite those best efforts, in the year 1992-93 -- in other words the year that is just ending -- we still spent \$592 million more than we had income.

We deficit financed to the tune of \$592 million last year. And as you are aware in the budget that was presented the other day, we are reducing the annual deficit to \$296 million for this coming year.

Now that still means we have a shortfall position. It

still means we are spending . . . to stimulate the economy we are spending money that we do not have, and that must at some point come to an end for a number of reasons that I will outline a little better further in my speech.

Mr. Speaker, since I was on my feet late last night, the interest on the accumulated \$15 billion debt that was run up over the past decade by the former government, since I was speaking, the interest on the debt has been over one and a quarter million dollars. The interest on that \$15 billion is growing at a rate of \$1,400 a minute. I only wish that I could be paid that for a few minutes.

And I say that with some sincerity in that not so much that I personally would like the \$1,400 a minute, but let me tell you, this government could move mountains if we had an additional \$1,400 a minute at our disposal to spend. But thanks to the former government, that \$1,400 a minute just keeps racking up and racking up and racking up, and that money is gone to the moneylenders -- \$1,400 a minute because of their decisions over the past decade. And that, as I pointed out last night, is the hand that this government was dealt.

We could not change the debt that was owed by the province. We can deal with what we inherited when we formed government. We can make our best efforts to come to grips with it in a fair and compassion manner. We are doing our best. I say that without fail, of all of my colleagues on the government side of the Legislative Assembly. We are all doing our very best to represent our constituencies and the people of Saskatchewan. And I believe, Mr. Speaker, we're succeeding. I believe that the government is succeeding in its efforts.

There's two things I want to make note of right now in the budget. I think they're particularly worthy of note. One is I've heard some people say, well they eliminated the prescription drug plan. And the question that comes to mind then is why is there a budget item for the prescription drug plan of \$57 million in this year? Fifty-seven million dollars to see that the low income people have access to prescription drugs. There is an additional safety net program that is designed to prevent people from falling through the cracks. Is this program perfect? No. It is easily the very best effort that we could collectively come up with given that very poor hand that was dealt to us by the former government.

The other item, and it's a much smaller monetary item but one that I am very, very proud of, Mr. Speaker, in this budget there's new \$1 million that is earmarked to promote single parents staying in school; single parents getting their education; single parents being able to help themselves and their little children, who will grow up to a better future -- a future, Mr. Speaker, that this budget is all about. I want to say that I received not a single call asking for that money to be spent, but I can tell you that I have a very great amount of pride in the Minister of Finance for putting that million dollars in to help single parents get an

education.

Some Hon. Members: Hear, hear!

Mr. Trew: -- Mr. Speaker, I've talked about the \$15 billion debt. I've talked about the \$760 million annual interest payments. I've talked about the fact that we had, last year, a deficit of \$592 million . . . pardon me, 596. This year 392 million is what we're projecting. And I've talked about the moneylenders and our credit rating being so incredibly low.

So what could we do upon forming government? It seems to me that there was two choices that we could have made. One, we could have ignored the debt problem and spent the much-needed dollars on social programs or whatever. The list is literally endless on programs that are worthy and needing money to be spent. The list is endless. Those choices would have been very, very easy to make in the short term.

The second choice we had, instead of ignoring the debt problem, would be to deal with our fiscal problems in a planned manner. And that, Mr. Speaker, is exactly what has happened. The former Finance minister introduced a budget last year that took some very large strides in correcting and getting at hand the fiscal situation of our province. This budget takes the next major step towards again having control of our finances here in Saskatchewan.

If we had taken the first choice, that of ignoring the debt problem, Mr. Speaker, I believe that we could have ignored the problem for one, maybe two, maybe three years. And then when the moneylenders stopped lending money, when Saskatchewan's credit rating was so low we were a junk issue, we would have had to make an incredible adjustment all at once. In effect we would be on cash immediately.

The other thing that would have happened, I believe, is that the federal government may well have stepped in and taken over. We're determined that's not going to happen and I am very confident that the measures taken in last year's budget, reinforced and taken further in this year's budget, are going to deal with those problems and Saskatchewan people will again control our own destiny.

Some Hon. Members: Hear, hear!

(1445)

Mr. Trew: -- Just before I leave the matter of credit rating there's one thought, I think, that sums it up best for me. We know that our credit rating is one step from a B credit rating. In fact a couple of . . . two out of four bond-rating agencies have rated our credit rating in the B category and two of them are maintaining it in the A. We cannot afford one more drop in our credit rating and still expect to have any ability to borrow money.

Given that scenario, Mr. Speaker, I don't know how any Saskatchewan citizen in their right mind would dare propose that we take any risk at all of a further

credit rating drop. You can take some risk once you're up a notch or two, but when you are just teetering on the brink, it seems to me, this is not the time to pretend that you want to offend some drunken sailors by spending recklessly. Indeed, tough choices have had to be made.

We are taking back control of Saskatchewan's finances for Saskatchewan people. Mr. Speaker, we're not in New York; this is Saskatchewan, and I'm proud of it. I'm proud of it. Why? Let me give you a quick example. Saskatchewan Wheat Pool, which was my former employer, has put out a news release March 11, titled "Pool's cash payout to members passes half-billion (dollar) mark." And it goes on: since 1924, Saskatchewan Wheat Pool has paid dividends based on the amount of grain delivered and farm supplies purchased and livestock delivered to the Pool facilities, paid a dividend based on the handle (if I can describe it that way) in excess of half a billion dollars.

That, Mr. Speaker, is the Saskatchewan way. That is what my grandfather was, one of the original people who went out and signed up as many of his neighbours as he could into the Wheat Pool concept form. Saskatchewan Wheat Pool has returned a half a billion dollars to the farmers. No private grain company can boast the same thing or anything close because they pay their dividends only to their shareholders.

I'm proud of that Saskatchewan example. There are many other cooperatives that are very worthy of note. To my knowledge, the Wheat Pool is the only one that has hit a half a billion dollars.

I know that there are measures taken in this budget that do not meet with unanimous approval, Mr. Speaker, to put it mildly. There are some measures in this budget that people find offensive. There's measures that, frankly, we find offensive, but had to take. I genuinely regret that some individuals may not be able to forgive me or may not be able to forgive the government for taking the steps and the measures that we did.

I am sincerely sorry if that's what happens, but I cannot do anything about that. I have to continue with my life. I have to represent my constituents to the best of my ability. And I know, Mr. Speaker, that I would not, nor could I, forgive myself if, on the basis of all of the information that has been shared very generously with the government caucus, if we didn't support steps to address the fiscal situation, steps to address the job creation necessity, steps to address tax fairness, steps that were taken in this budget -- I couldn't forgive myself if we did not take those steps.

I'm about to close, Mr. Speaker, but I want to tell you again how proud I am of this budget which is about securing our future. It's about taking back our collective destiny, control of our destiny. It is saying that Saskatchewan people are able, willing, and even anxious to get on with the job.

I want to close by congratulating my colleagues for

caring and sharing, and yes, challenging each other in our budget preparation. I want to with delight thank the Premier and the cabinet for being as open and honest with us in the sharing of information and in the discussions that have taken place and I know will continue to take place.

And I want to end by saying how proud I am, Mr. Speaker, to take my place on behalf of the constituency of Regina Albert North and Saskatchewan people and support this budget, this turning-point budget, this budget that is all about securing our future.

Some Hon. Members: Hear, hear!

Hon. Mr. Koskie: -- Thank you, Mr. Speaker. Certainly it's an honour and a great privilege to address the Assembly and the people of Saskatchewan. And needless to say, I rise here and strongly support the budget, Mr. Speaker, because this is a budget based on the knowledge of what has already been accomplished in 17 short months by this government.

Some Hon. Members: Hear, hear!

Hon. Mr. Koskie: -- A knowledge, I might add, Mr. Speaker, that has enabled us to develop a clear vision of how to secure our financial future and the welfare of our people. When all is said and done, budgets are about people -- their dreams, their aspirations, their hope for a better tomorrow.

So, Mr. Speaker, I would like to speak about the people of Quill Lakes in relationship to the budget for a few moments.

I've been honoured to represent the people of Quill Lakes constituency for over 17 years. And during the course of those years, many things have changed in the province. Yet the people of Quill Lakes have maintained their trust in the New Democratic Party and in this government.

I want to say that in the 1970s there was expanded development in potash, oil, and uranium. And the issue at the time was how to keep those profits at home and working for the people that live here in the province. The then premier of the province, Allan Blakeney, responded with the Potash Corporation of Saskatchewan, the Saskatchewan Mining Development Corporation, Saskoil, and I want to say that a large portion of those profits remained in the province and the province benefited.

And I say, Mr. Speaker, my constituents in Quill Lakes agreed with the government. And they worked hard to see that prosperity was indeed maintained. But then, Mr. Speaker, the 1980s came, and with the 1980s came the scourge of Conservative governments.

Here in Saskatchewan we saw a Conservative government elected whose leaders dreamed of another time and another era. They governed by simplistic slogans and dogma. Open for business --

you recall that. Privatization. Deregulation.

Mr. Speaker, the Conservatives very nearly destroyed this province. They violated the public trust, they pillaged the purse, and they squabbled among themselves as they picked over the bones of the economy that at the beginning of the 1980s had been among the strongest and the best in the land.

Mr. Speaker, the people of Quill Lakes remember the Conservative legacy. And, Mr. Speaker, they have been consistent in supporting this government because they know they can trust us to restore their dignity as individuals and the financial integrity of their communities.

This budget begins the process of restoration -- restoring common sense and competence to our financial affairs so we can secure the future for our children. And I know, Mr. Speaker, the people of Quill Lakes are ready to stand with their government in the challenges it faces in securing that future.

Mr. Speaker, underlying this budget is a strong base. The base was outlined in the throne speech. As the throne speech clearly indicated, this government has set out four goals: restore common sense and competence to the fiscal management of the province's affairs; restore public faith; give hope to our people; and bring people together again.

Mr. Speaker, when this government took office we were finally able to actually see the depth of the mess that we had inherited. And I want to say, it was disheartening. The extent of the Conservative incompetence didn't make sense. People, as I said, had lost faith in their leaders. A feeling of hopelessness was what they brought. People were divided against each other. And at that time, Mr. Speaker, many of us thought we should adopt this slogan: be realistic, attempt the impossible. Because, Mr. Speaker, we were left with a financial mess that seemed nigh impossible to clean up.

In a graphic sense our feelings were much the same, I suspect, as those that viewed the disastrous results of the **Exxon Valdez**, oil spilled in the coast of Alaska. That oil spill devastated everything in its wake, and the slick dealings of the Conservative government all but destroyed the social and economic environment of this province.

But I want to say that this government faced up to the challenge. This government was and is prepared to extend the boundaries of what might be possible in the future. This budget spells out a plan to secure our future. It marks a beginning for Saskatchewan and its people. It is a budget that reflects the spirit of progress; a budget that challenges those who would keep things the way they are; a budget, Mr. Speaker, that calls for just changes to deal with the challenges which appear to lie beyond the future, a budget to secure our future.

Mr. Speaker, this budget is a benchmark. It recognizes and supports the needs and aspirations of people, not just the privileged few. It spells out with precision and

clarity and common sense an important thing about budgets and finances, namely that just as the level of taxation is important to the people, so too is how their government spends their money. And this government proposes to spend smarter.

In fact, Mr. Speaker, while the level of taxation matters, it is also critical that the government spending is effectively targeted. This budget recognizes that important fact, Mr. Speaker. What form government spending takes has a big impact on the economic performance, and that's why the reorientation of spending in this budget is vital to get the most growth out of our tax dollars.

And the budget sets out a clear path to ensure that growth by creating jobs and strengthening our economy, controlling government spending, more efficient and effective deliverance of services, balancing the budget in four years, ensuring that those who need help are not forgotten. Creating jobs and strengthening the economy is at the top of the list.

This budget takes aim at the critical challenge facing us in securing our future, that of developing an environment and incentive to our people working again . . . to get our people working again. And we have done that. We have taken measures, like the reduction of the small business corporate income tax by 20 per cent; introducing the manufacturing and processing tax credit for Saskatchewan co-ops and small business; phasing out the E&H (education and health) tax on direct agents used in manufacturing and processing.

This government supports those who create jobs in Saskatchewan. They are small business and they're the cooperative movements. We're giving them the facilitation to do the job that they do best, and that is creating jobs.

Mr. Speaker, this budget also recognizes the crucial need to have new investment, promote value added processing, pursue new growth industries, improve infrastructure, enhance our highly skilled workforce.

Mr. Speaker, the budget outlines a number of measures, like investment of \$51 million in research development; \$320 million in support of agriculture; investment in the hopes and dreams of the people of this province.

But, Mr. Speaker, at this time I'd like to turn now to one aspect of the budget that demonstrates how plans of this budget takes shape in one government department, namely the Department of Highways and Transportation for which I am responsible.

Mr. Speaker, the budget outlines spending of some \$162 million to upgrade Saskatchewan's infrastructure through construction of highways, bridges, roads, schools, and health care facilities. A significant portion of that amount is designated in highways.

(1500)

Mr. Speaker, I am pleased to report to this Assembly that the Department of Highways and Transportation has enthusiastically and energetically endorsed the common-sense vision of the government by implementing a number of positive policies and programs designed to flesh out the real significance of this budget for our people.

Mr. Speaker, my department has undergone a thorough value-for-money audit, recognizing the people of the province are concerned and justly so, about whether they are getting value for money spent on building and maintaining and regulating the province's highway system.

And, Mr. Speaker, the audit report was good. The audit report demonstrates both the dedication and the commitment of the Department of Highways and Transportation staff to excellence, and the support of this government for the policies and programs that promote competence and common sense.

Two of the most important aspects of this audit were, the maintenance assessment processes of highways' needs are being improved and to get the job done. And the audit showed that there is excellent contract management in place to ensure the best value for dollar spent. Two ways -- you build a good highway system, Mr. Speaker, two more ways you can help secure the future.

Mr. Speaker, consider our highway system that contains some 26,000 kilometres of highway. That's the largest per capita highway system in North America. Consider also the critical issues that impact upon that system. Increased use of highways as grain and railway companies changed their operations -- an overall traffic volume increase of 17 in the last decade; an ageing highway system that requires careful planning to make sure we have approximate mix of maintenance and rebuilding to make optimum use of the remaining surface life of our highway.

Mr. Speaker, I'm pleased to report that my department has responded in a significant way to the task of helping to restore financial health to our province. In 1992-93 one of the biggest challenges facing the Department of Highways and Transportation was to meet a budgetary reduction of slightly more than 13 per cent, or approximately \$27 million. This was not an easy challenge, yet the department was able to ensure that the \$6 billion investment that we have in highways was in fact maintained.

Mr. Speaker, I'm proud to say that these savings to the taxpayers of Saskatchewan by my department have not been achieved at the expense of the taxpayers. The Department of Highways and Transportation continues to have a strong record of labour relations initiatives. And, Mr. Speaker, we're building on this future.

Here are a few of the most recent initiatives. We have set up a union-management advisory committee to ensure that front-line workers, as well as all levels of

management, have a role to play in shaping important decisions -- decisions about service levels and quality, budget issues, efficiency improvements, long-term strategy and direction.

Mr. Speaker, a department-wide strategic planning process for the department of occupational health and safety has been created. We are one of the few government agencies who have developed a curriculum course on industrial relations, which is co-presented by the union and management for all shop stewards and management in the department.

A new program was developed to train operators in winter safety procedures. Training and retraining play a major role in the department. And we believe the department is the leading-edge organization in caring for its staff and the quality of services it provides.

So, Mr. Speaker, restoring common sense and competence is happening in both a budgetary sense and in the lives of the people who work in the Department of Highways and Transportation. It's a record to be proud of, and one that will assist this government in achieving its vision for a better future. Rationalizing the delivery of the services is also being achieved. Providing greater efficiency, improving customer service, and making policy development a priority will enhance these qualities.

A major reorganization took place in the Department of Highways and Transportation to create a more efficient departmental structure. Mr. Speaker, five divisions have been combined into two; 21 branches have been reduced to 12, including several new branches established to meet specific needs. And among the new branches is the transportation economic development branch. This branch will focus on issues dealing with the rural freight and passengers, the enhancement of Saskatchewan as a distribution and transportation centre.

Another new branch, Mr. Speaker, is aviation and northern transportation, established to deal with the accessibility, tourism, and economic development issues in the North. Another major step in securing our future in my department is the amalgamation of roads, bridges, ferries branches from Rural Development with Highways and Transportation.

And I want to welcome all of the transferred employees from Rural Development to the department. And I am confident this amalgamation will prove highly successful in providing quality transportation service at the local level.

Controlling spending is an ongoing goal to the department. And I'm pleased that this year the Highways and Transportation budget contains a number of measures that will save money without sacrificing services that the department provides.

Fleet reduction and other cost-saving measures have reduced the cost of operating expenditures by \$2.1 million annually. But, Mr. Speaker, the department did not reduce these costs by reducing services. They

used innovation. For example, some trucks have been modified to accept an oil distributor tank and a truck box. This eliminates the need to purchase two trucks when the modified one can do both jobs.

The department has equipped its field labs to serve a dual purpose. And this, Mr. Speaker, reduced the total number of labs by 15 and helped to bring the fleet inventory down. Mr. Speaker, these are only a few examples of fleet reduction.

The department has also employed a new technology to recycle asphalt surface roads and reduce costs. Rotating bits attached to the grader blades allows the department to recycle 100,000 tonnes of asphalt and save \$1.5 million annually. Mr. Speaker, what could be a better mix -- recycling and saving money. Controlling costs is important to the Saskatchewan taxpayer and the Department of Highways and Transportation is leading the way in this regard.

Mr. Speaker, the budget in the Department of Highways and Transportation contains more than \$75 million for road construction and \$82 million for maintenance. The highway budget reflects the realities of the province's current financial situation but still provides quality highway maintenance and construction funding. It includes for 1993-94 estimated 20 grading contracts, some 56 surfacing and resurfacing contracts, 20 bridge projects. Mr. Speaker, these projects will improve something in the neighbourhood of 830 kilometres of highway system.

Currently the government is in the process of negotiating an agreement with the federal government for funding of improvements to the major interprovincial highways. The proposal that the federal government has offered to the province of Saskatchewan is a \$35 million funding over a period of five years, to be matched 50/50 by the province. Shortly we hope to be able to sign the agreement with the federal government and to get on with further construction in the province this year.

I want to say, Mr. Speaker, that this federal funding will allow, as I said, the department to substantially increase the construction program this year. What we have been negotiating with the federal government is to pay this out on the basis of 11 million the first year, \$8 million the second year, and 6 the following year, and 4 million on the final year.

Shortly I will be putting out the schedule of highway construction to be done during the current year.

Mr. Speaker, I want also to turn to another aspect that's under my jurisdiction to indicate that an effective and efficient determination by the civil servants and the government can make a difference. And I want to say that in this budget it shows us, as I said, a better way.

And I say this budget includes compassion as a fundamental component. Compassion for our children by providing almost 18 million to fund programs that directly benefit Saskatchewan children

such as child care, children's hunger programs, and a revised dental program targeted to children in low income families. That's just one example.

And there's another example where the steps to this the government has taken have greatly enhanced the ability of the public service workers to work with dignity and independence. And, Mr. Speaker, I'm talking about the Saskatchewan transportation corporation for which I'm responsible. This corporation and its employees were literally deliberately and with forethought attacked by the former administration.

Mr. Speaker, that Tory government set out I believe to deliberately destroy and dismantle STC. But, Mr. Speaker, under this government, STC is being restored to its rightful place as a significant contributor to the transportation system of this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Koskie: -- Mr. Speaker, once more the employees and management of STC can be justly proud of the contributions they make to the province's well-being. Consider the situation they faced. When the Conservative government took power in 1982, the corporation had a surplus of almost \$1 million. And through the mismanagement and neglect, that loss had grown by 1992 to \$36 million.

Now, Mr. Speaker, that corporation is being turned around. The operating loss at STC for the fiscal year ending October 31, '92, was 4.9 million compared to 6.5 million the year before, a 23 per cent improvement. Improved timeliness of billing and collection practices enabled the company to reduce its investment in accounts receivables by \$1.2 million during the fiscal year '92 from 2.9 million to 1.7 million.

We have embarked on a number of new initiatives which will enable the corporation to achieve fiscal and service viability. These initiatives will be with the full consultation of STC workers and the public. Employees will play a major role in the process.

I am also pleased to announce that most of the Provincial Auditor's findings with regard to waste and mismanagement at STC, as reported in his March 1991 report to the legislature, have been addressed. Restoring the customer and employee confidence is important, Mr. Speaker. Controlling spending is also important. At STC this government has been doing both. And we're doing more, Mr. Speaker, we've been improving service delivery.

Mr. Speaker, STC has taken a number of measures to address the challenge of improving ridership, and a few of these measures I want to comment on.

First of all, they introduced the student bus pass program which provided unlimited travel to students for 30 days anywhere STC operates at a cost of \$59.95. To date this has generated \$37,000 in revenue.

Improved seniors' travel program: it now provides a 15 per cent discount to seniors seven days a week. This is the most lucrative offer of any transportation company to seniors. This came after extensive consultation with the seniors.

A third program that was introduced, Mr. Speaker, was the medical travel pass. The pass cost \$59.95 and provides unlimited travel over a period of 30 days on STC schedules for medical purposes. And it's available to all, including seniors.

(1515)

Fourthly, STC introduced a business and government program. This is the pre-purchase ticket program introduced primarily in February of this year. To date over \$7,000 in revenue has been generated.

Mr. Speaker, at this time I'm also pleased to announce that a contract to prepare the designs for a new bus depot in Prince Albert has now been awarded. And I want to say at this time that we commend Prince Albert City Council for their cooperation in this process.

Also, in respect to the city of Moose Jaw, we have let out a lease proposal for new premises for a new bus depot in that city. And again, we have been working closely in consultation with city officials and elected people in Moose Jaw.

Mr. Speaker, these measures and more to improve services at STC have had good results. And they are changes made after consultations with those concerned -- workers, customers, and consumers.

Mr. Speaker, the brief outline I have provided here of the measures taken by the Department of Highways and Transportation and the Saskatchewan transportation corporation reflect the overall direction of the government to secure our future.

This government does not ask the people any more than the people should expect from the government. Mr. Speaker, this government is going to balance the budget within four years. Securing the future of our province demands that we do just that.

After nearly 10 long years of government Conservative regime that totally disregarded fiscal integrity, the budget will be balanced. After nearly a decade of total Conservative irresponsibility and lack of intent to balance the budget, this NDP government is leading the way -- leading by example.

Mr. Speaker, the people remember the Conservative government which, in 1986 on the eve of the election, introduced a budget in this House with a small deficit, and at the end of the election it was revealed that there was a \$1.2 billion deficit.

And those Conservative members laughed about it, Mr. Speaker. They laughed and said: what can you expect? There's an election on. I want to say, Mr.

Speaker, this NDP government has what it takes to do the right thing -- to save dollars, to restore public faith, and to rebuild Saskatchewan.

Mr. Speaker, today I've talked about a vision contained in the details of the budget that will help secure the future of our people, a comprehensive plan that will balance the budget within four years without any further major tax increases or cuts in services, a plan already at work in the departments and agencies of government which I am responsible for.

Within our plan, Mr. Speaker, we have not lost sight of the most vulnerable in our society. Compassion is a part of this budget. Compassion is a fundamental part of the philosophy of this government.

There is no denying that this is a tough budget. But once again it is an NDP government that is pioneering financial reform, so that we can rebuild our province, so that we can prosper and rebuild our social structure.

The long night of Conservative waste and misspending is over. And I say, now the people of Saskatchewan can echo the words of Martin Luther King: Thank God, we're free at last.

Some Hon. Members: Hear, hear!

Mr. Britton: -- Well, thank you, Mr. Speaker. I too am quite pleased to take my place in the House today and respond to the budget. As a representative of the people from the Wilkie constituency, I'm pleased, Mr. Speaker, to join in this budget debate because, Mr. Speaker, sometimes it takes an old man from the country to put things in their proper perspective.

Mr. Speaker, I am also pleased to note that the member from Melfort set the tone for me when she likened PC opposition to animals. More specifically, wolverines, Mr. Speaker. She goes on to describe them . . . Mr. Speaker, I describe this budget as a dog and the reason, Mr. Speaker . . . maybe I should say a muddy dog.

Mr. Speaker, I want to go back to *Hansard* just for a minute to put what I have to say in perspective. The member from Melfort said -- she used these words to describe wolverines and I will just quote part of it:

. . . and here are the characteristics of a wolverine: it's a very intelligent but very crafty and cunning animal. It's very aggressive, very greedy, extremely destructive. It has low social values; it's not a social animal at all; in fact it provides minimum care for its young and for its elderly.

Now, Mr. Speaker, what the member forgot to do was finish the description of a wolverine. Mr. Speaker, I can see wolverines in the people in the opposition because the other thing that a wolverine will do, Mr. Speaker, is follow a trapline and destroy everything that the trapper has done. Now that's exactly what these people are doing. Everything that the previous

government done, Mr. Speaker, they're trying to tear it down and destroy.

So having said that, Mr. Speaker, I think I will maybe make a few remarks about this dog of a budget. Mr. Speaker, the reason I say this budget is likened to a muddy dog is because we have heard from no less than a previous cabinet minister that in his opinion it was put together by people who had mud for brains.

And, Mr. Speaker, this budget needs a lot of light, a lot of light because, Mr. Speaker, right now it's hidden in the shadows. Most of the hurt of this budget will show up later. It's like working in the dark, Mr. Speaker, and having a dog come up and bite you. You know the dog bit you but you can't see the dog because it's hiding in the dark. So you get your lamp, you find the dog, and you deal with it. You must deal with it because the dog could be infected with rabies and, unless dealt with, rabies can be fatal.

Mr. Speaker, every person in this province will feel the bite of this dirty, muddy dog of a budget. It bites deep. But, Mr. Speaker, the dog is hiding in the dark cast by the leader, cast by the Leader of the NDP. And I hope with this speech to shine a little light on the dog and deal with it.

My colleagues, Mr. Speaker, and a great many of the people of Saskatchewan are talking about the deception of this government. And the deception is not only in the most obvious things, Mr. Speaker, things like the Premier promising never to increase taxes and to keep within a 4.5 billion spending and so on; the deception, Mr. Speaker, runs much deeper than that.

This Premier and this NDP government says that when they opposed the former government's spending controls, they did so out of ignorance. Mr. Speaker, that is the first great deception. They didn't know that their promises could not be kept, given the financial condition of the province. That is what they're saying now.

But, Mr. Speaker, I want to take you back, back to the budget debate of 1990. In that budget debate, the NDP opposition led by the now Premier launched a vicious, nasty, mean-spirited campaign against the PC (Progressive Conservative) government and its attempt to control the deficit. They stood up in this Assembly, Mr. Speaker, led by the member from Riversdale and they promised the moon. And the old man from Wilkie, Mr. Speaker, had had enough then and he's had enough now.

So what I did, you may recall, Mr. Speaker, what I did was to add up all the NDP promises, and I refer you to April 4, 1990, in *Hansard*. If you go through the remarks I delivered in this Assembly on that date, Mr. Speaker, I took the members through an NDP budget based on the promises of the Leader of the NDP, took them through them item by item, and it resulted in a minimum of \$1 billion deficit year in, year out, growing with the interest payments.

Now, Mr. Speaker, how can the member from Riversdale now claim that he never knew he could not afford to keep his promises, especially while I'm still in this Assembly. I told him with very simple arithmetic that his promises were unrealistic, they were too expensive, and could not be kept without bankrupting the province. I told him that in 1990. I'm still here, Mr. Speaker, and I know that is what I said in this Assembly. The member from Riversdale cannot pretend that it was not said.

Mr. Speaker, if you go back you will find I even allowed him his outrageous claims about the potential for revenues from hiking oil revenues. We cautioned them at that time. We told them they weren't there.

I allowed him the complete elimination of four departments. I allowed him the total elimination of advertising, Mr. Speaker, totally wiped it out. And even after all of those fantasy savings and revenue raisings, add in the NDP promises and the province would be bankrupt.

Now, Mr. Speaker, I can tell you to relax. I'm not going to recount the whole speech. It is on the record for anyone there who is interested in reading it. I know that most of the back-benchers won't read it, Mr. Speaker, because they don't want to be disillusioned with their Premier and the Finance minister. They don't want to know the truth.

Well, Mr. Speaker, the dog should get out of the shadows and own up to the fact that not only was he told by a back-bencher from Wilkie that his promises were absolutely unrealistic, he was told by the Minister of Finance time and time again. He knew he could not keep those promises, and that is why he very slyly had his little card made up to eliminate specific references to his promises -- slyly, very slyly and cunningly. I think of the word wolverine.

But, Mr. Speaker, the people he made the promises to, those people knew what they were told, and they frankly don't care what the little card says that the Premier waves around in this House. His is a government that was won on deception and is feeding on despair. And only, Mr. Speaker, the most blind of the NDP followers do not acknowledge that fact. They do not acknowledge the fact. And I refer you again to the hon. member from Melfort who says, accept your own responsibility.

Mr. Speaker, I remind you and those in the Assembly that in my reply to the throne speech I acknowledged, I acknowledged for our people on this side, \$6 billion responsibility in the debt. My colleagues have not chastised me about it. I've had nobody from the other side refute my numbers. So I guess they accept the \$8 billion as their responsibility, Mr. Speaker.

Now, Mr. Speaker, a little more of the darkness that needs to be shed has to do with the letter, the famous letter that the Premier waves and talks about from the previous Finance minister. He likes to wave it around, Mr. Speaker, as some kind of a cover-up for his own failures as a leader of his party and of the people of

Saskatchewan.

Mr. Speaker, I want to offer a challenge to the Premier. I want to offer a challenge to the Premier of Saskatchewan to claim that that letter said harmonization would be cancelled. The letter was based clearly on the continuance of tax harmonization. And this lawyer from Riversdale knows that. He knows that very well.

(1530)

But he did not proceed with harmonization, so he lost \$200 million in revenues. He said he didn't need that money to balance the books. He didn't have to have any more taxes, no more money, and he could do it.

Mr. Speaker, let me point out the letter was based on implementing the policies of the former government including the privatization of SaskEnergy and SGI (Saskatchewan Government Insurance) commercial. Now, Mr. Speaker, the NDP leader knows that, but he continues to hide behind that letter as if those things were not true.

Well, Mr. Speaker, and I'll say this to the member from Riversdale: you should hang your head in shame, sir, hang your head in shame at the extremes that he is going in denying fair and truthful information to the people. I say, sir, shame on you. Shame on you, Mr. Premier . . . (inaudible interjection) . . . And also to the member from Churchill Downs, seeing as how he has finally woke up. I was expecting a little more chorus, so it helps me keep going. Thank you, sir.

Mr. Speaker, there are even deeper shadows in which this dog of a budget hides. What about the write-offs to get the deficit so high? What about those shadows? I say to the NDP, and I respectfully say to the media: use your heads. If the capital expenditures of schools and hospitals is proper to be written off against the debt in 1992, then is it proper for the same capital to be written off in 1982?

Mr. Speaker, that's fair, that's accepting responsibility. Are they prepared to accept that responsibility and use the same accounting procedures that was used in 1992? Use that in 1982? Is that not fair? Is that not accepting your responsibility?

Let me say that again. If it's right to write off all the schools and hospitals in 1992, then it must be right to write off all the schools and hospitals in 1982. There's fairness there; there's responsibility there. And with all due respect, Mr. Speaker, to the media, a proper analysis is not being done in providing balanced information for the people of . . . and the government.

Let me say that again. A proper analysis is not being done in providing balanced information for the people, and this government is exploiting the fact to reign terror over the taxpayers, Mr. Speaker.

Now, Mr. Speaker, if you are familiar with my records at all in this place, you will know that I am deeply concerned about the deficit and the debt of the

province. One of the reasons I'm here in this Assembly, Mr. Speaker, is because I knew, I knew back in 1970 that the boom could not continue and that we had to do something about it. They are serious, Mr. Speaker, very important challenges for our people to face up to.

I believed that then; I have believed it all of my political life, Mr. Speaker. But I also know that honesty and balance are the most important ingredients in dealing with the province's finances, and we are getting neither from this government.

I would like to explain that a little further, Mr. Speaker. If we do use the exact same rules to figure out the debt in 1982 as we have been using here to figure out the debt in 1992 and 1993, you will find that in current dollars the debt was in excess of \$8 billion in 1982. Now what's more fair than that? Isn't that fair? Isn't that accepting your fair responsibility?

We're accepting \$6 billion. And I ask you to put the value on the 6 billion that you got from us in the very worst years we've had in 50 against what you got in the 10 years in the '70s, in the very best times that Saskatchewan ever had.

Isabel Anderson says that the debt rose the fastest in the 1970s. Now, Mr. Speaker, that does not include the unfunded pension liabilities because they're not being included in this budget either. We accept that. There's about \$5 billion in underfunded liabilities that you cannot blame us for. We weren't here. That started back in the '30s. Now wouldn't that be fair? Wouldn't it be fair to use that? I think so.

We're accepting our responsibilities for 6 billion in the toughest times we've ever seen. I think it's fair the members opposite accept their responsibilities. But to use the exact same rules, you will find, Mr. Speaker, there was an enormous debt in 1982 as well.

Now the question should be this. Should there be panic? I don't think so. I think that the size of the debt should only be valued as the . . . in terms of your ability to pay that debt.

Should the government of 1982 apply these 1992 rules and instil panic in the population about the fiscal situation? Or should we instead inform the people that the primary change that has happened is one of how the debt is reported -

_ how it's reported. What system of reporting did we use? That there had been no unexpected explosion in the debt but that the honest truth is that the government has chosen a new way to report its financial operations.

All right we'll accept that. But do it the same for our people. Isn't that fair?

Fairness and balance, Mr. Speaker, is what we're talking about here. Responsibility -- different members of ours have told you, told this audience, told this House, we accept the fact that we made some mistakes. One of our members suggested that you, the opposition, could learn from our mistakes, the same

as we should learn from yours.

But, Mr. Speaker, if they didn't choose the new way, that would not be in the best partisan interest of the NDP. So they sold fear and despair. And, Mr. Speaker, I find that is despicable, really.

I look to the press gallery and I wonder, with all due respect, sir, how can you people believe you are doing your jobs when you're allowing these people to so distort the truth. Yes, the Premier had a letter, the Premier had a letter. He waves it every day. And do you know what that letter was based on, Mr. Speaker? That letter was based on proceeding with harmonization and privatization.

All other countries that had socialist governments are recognizing they have to get rid of their Crowns. Great Britain, New Zealand come to mind as two countries. You also know that if you use the same rules for 1982 as are being used today, the debt would be dramatic. Dramatic, Mr. Speaker. Mr. Speaker, the press gallery, they know these things but somehow they allow the government to go on, on this agenda of fear and distortion.

Now, Mr. Speaker, again I say this. Does that not mean that deficit is not serious? Does that mean it is not serious? No. On the contrary it's very serious.

And it's a joke, Mr. Speaker, that the Premier shouts absolutely, absolutely shouts misinformation about the deficit day after day. Take for example, Mr. Speaker, the NDP leader's line about having a surplus on the operating side. Well if you use the same kind of logic, if you done the same kind of logic, the average person would say, if I don't include my mortgage payments, I can have a massive surplus of cash. Yes.

So I got a massive . . . well it's silly, Mr. Speaker, it's very silly. And of course, Mr. Speaker, the payments on this debt must be made, just as they had to be made under the previous government. We made payments on your debt. We paid interest on their debt. There's no trick, Mr. Speaker. Paying your debt is part of paying your bills. And when you're spending more than you're earning, you have to cut back on your spending.

Now this government says it has done the job and has done it because there's no choice. Well more dogs hiding in the dark, Mr. Speaker, and dogs that bite with rabies. Mr. Speaker, this government did have choices. We're arguing, Mr. Speaker, with the choices they chose. We're not arguing that there wasn't problems -- that's what governments are elected for is to make tough decisions. That's what they're there . . .

First, Mr. Speaker, the sane course of action would not be jacking up the taxes on the sales tax on a narrow base, on a very narrow base on the economy. The sane, non-partisan course would have been to move immediately to harmonization of the sales tax. Harmonization would provide the revenues and at the same time give major stimulus to investment and productivity in business and in agriculture.

Mr. Speaker, the government has other choices. It could choose to privatize SaskEnergy, clearing that Crown debt, and adding half a billion dollars to the coffers to retire debt. It could choose to have the courage of the Premier of Newfoundland, Mr. Speaker, where they are cutting public salaries and downsizing in a very real way. You know, Mr. Speaker, this very government says that every 1 per cent of public salaries is worth \$25 million. For a 5 per cent roll-back, the province would net \$125 million. Now, Mr. Speaker, that is more money than this government is raising by jacking up the sales tax to 9 per cent, Mr. Speaker. And in return for a 5 per cent roll-back, government employees could be provided with a measure of job security that simply is not possible right now. There was 400 jobs lost just the day before the budget.

Now, Mr. Speaker, I want to tell you something else. While SGEU (Saskatchewan Government Employees' Union) would not agree with a 5 per cent roll-back, I have talked to many public employees -- some right in this very building, Mr. Speaker -- and they tell me that if it was a choice between saying five of them are to be fired or they take a 5 per cent hit, they tell me they would take the hit.

And I want to refer you to something I read in **The Calgary Sun**. Paul Jackson, Mr. Speaker . . . (inaudible interjection) . . . Right. Yes. I hear the noise from the peanut gallery already.

Now Mr. Paul Jackson is not necessarily loved in Saskatchewan, but here's what he says in his article: praise these unions, praise them. And I'm not going to read the whole thing. But what happened here, Mr. Speaker, is that the united food and commercial workers, and bakery, confectionery, and tobacco workers have voted to take some \$40 million in pay cuts in order to get their company out of the red and save their jobs. Now, Mr. Speaker, that's a lot of money -- 40 million.

Mr. Jackson, who sometimes upsets people, is being fair. He says, praise, praise these unions for doing that. He said this:

They went along with the advice from their union reps just the same even though their leaders told them not to do it. And as hard as it is to face up to bad news, we have to recognize we live in a different era today.

He goes on to say:

Rather than capitulating to management, as the Bob Whites and Darryl Beans of this world might well charge, Safeway employees, Safeway employees have worked out a compromise to save their jobs and provide security for their families. Does that not deserve praise?

I say also, praise the unions. Here's another, Diane Francis, *The Calgary Sun*. She says this: democracy is

finally coming to some union locals.

That is why, Mr. Speaker, I bring up the \$125 million at a 5 per cent roll-back. Have we approached the unions to save their jobs? Will they do that? I think they will.

(1545)

Now closer to home, Mr. Speaker, but on the same topic, I want to point out to you what is happening. And here we have a reply to what is called, here's what I have to say. And it's mailed to me:

What taxes do to employment:

Before the March 18, 1993 budget, we signed a contract to operate oil wells and battery facilities on a 24-hour basis, hiring three employees. The increase in fuel tax of 2 cents a litre has put our small company in a no-profit situation. Three employees laid off.

And he explains it this way: 250 kilometres per day cost him \$437 a month extra cost in gasoline. Increase in tax at this time kills small business. No incentive to operate a business in Saskatchewan. Mr. Speaker, this is Hillside Contracting Ltd. out in my country. That's the point I want to make, Mr. Speaker. Taxes does not encourage jobs.

I want to tell you one more thing, and this is where I agree with the unions and the workers, Mr. Speaker. Mr. Speaker, I believe it is simply obscene that under three successive governments, including my own, that there are people who have worked for the government for years and years and still remain classified as temporary employees. Mr. Speaker, this is a serious wrong and it should be corrected.

I know of one case under the previous government, of which I was a part, where a woman had been employed for 11 years and was still classified as temporary. Mr. Speaker, I was amazed that the union at that time was not willing to agree to a blanket order converting all those temporary people into permanent classification.

Well, Mr. Speaker, I frankly do not believe the union leadership has the main interest of the workers at heart. It is a political outfit that uses the members' dues to further interests of the union bosses.

Regardless, the union is now asking that these temporary positions be converted. And let me tell you, sir, I agree with them. I agree totally that they should be converted into permanent jobs. Just imagine this, Mr. Speaker: you cannot get a mortgage, you cannot get a car loan, you cannot get a credit card if you're classified temporary; that's the position these long-term employees are being put to. And, Mr. Speaker, that's wrong.

But that is an aside to my main point, Mr. Speaker, which is that the government does have honest choices available to it and is refusing to make them.

As I said, a 5 per cent wage roll-back in the public sector, according to the Premier's own numbers, would yield \$125 million. But instead this government has the following record. It has increased income tax 10 per cent; it has increased sales tax 29 per cent over two years from 7 per cent to 9 per cent; it has increased utility rates multiple times, up 33 per cent in some cases. It has imposed user fees on basic medical care; it has jacked up fees charged to the elderly in need of long-term care; it has removed totally some services from medicare altogether. Chiropractic treatment, that's gone; eye care coverage, that's gone; insulin coverage, that's gone; oxygen coverage, gone; prescription drug plan, gone; dental program for children, gone; regional cooperative health service, gone. Seniors' heritage grant, gone; rural service centres, gone; pension plan, gone.

And, Mr. Speaker, there's others -- there's others. Hundreds of people put on the street so that this man from Riversdale can put his friends in their high-paying places.

Mr. Speaker, this government had choices. It had choices in presenting the budget; it had a lot of choices. Mr. Speaker, what they've chose to do is break faith with their own people, not only our people, the people of Saskatchewan, the people that worked very, very hard to make sure that we didn't get re-elected and that they did. Now those people, Mr. Speaker, I don't think will forget.

Mr. Speaker, they have chosen to mount a campaign of despair and deception so large that it is almost beyond the ability of Saskatchewan people to resist. But, Mr. Speaker, I predict they will resist. We will resist.

Mr. Speaker, this is a bad budget; it's a shameful budget. It's a muddy dog of a budget.

Mr. Speaker, I look at the members of the NDP sitting in this Assembly and I wonder sincerely, how can they look themselves in the mirror? And I don't want you to give me any tripe about the terrible debt that you inherited. You made promises when you knew what the debt was. And perhaps the most damnable promise you made was to get rid of the harmonization and end privatization. Because, Mr. Speaker, those are the two promises that the Premier kept. He did keep those two promises. And those two are the two promises that are crippling this province.

But you did not keep the promises that went along with those two. There was two other promises that went with that. You promised no new taxes. You didn't keep that promise. You did not keep the promise of open the books. Open and honest government. Another broken promise.

In fact, Mr. Speaker, on that one it is simply stunning to see the member from Regina Victoria -- a member for whom I must say I have historically had a lot of respect for -- but to see him now stand in this Assembly and

defend the government, government measures designed to basically filibuster the efforts of the Provincial Auditor, Mr. Speaker, that's not something that I can respect.

The Provincial Auditor reports that . . . that to serve accountability on all profits from the Crowns should be paid directly into general revenues -- that's what he says -- to serve accountability. Open and accountable. To serve accountability all profits from Crowns should be paid directly into general revenues.

And the member from Regina Victoria gets on the Premier's bandwagon and says no, we must study that idea. And the government has already given an outright no to that part of the auditor's report.

Mr. Speaker, yet this same government says to the charities who manage the lottery funds, this Premier says to them: well the Provincial Auditor says all revenues should go into general revenues, so we are going to take the lottery funds and put them in our own bank account. What a breathtaking hypocrisy. What astounding contradiction.

And I asked the Premier, Mr. Speaker, I asked the Premier this. If it's proper to treat the charities in this way, then how can you say it's not proper to treat the Crowns the same way? Where is the fairness? Where is the balance? I don't know. Where's the justice?

Mr. Speaker, it's simply another example of this government's list of double standards. It is in fact a government of double standards. A wrong-headed dog biting at the people from the darkness. That's what this dog of a budget is, that muddy dog.

Mr. Speaker, I mentioned early the double standard about how they measure the debt. It's okay for them to count the hospitals and schools as a debt in 1992, but it's not right to do that for the 1982 year. Why? Well in any language that I know, Mr. Speaker, that's a double standard.

Is it right for the NDP leader in opposition to rant and rave about the inadequate funding for health and education, but when he's Premier, he takes a red swath to the budgets. That, Mr. Speaker, is a double standard. And it's accounting, and it is, Mr. Speaker -- funny accounting -- according to the NDP leader, right, Mr. Speaker, it is according to him, right that the money of the charities be taken and put in general revenues, but not the profits of the Crown corporations. What a double standard.

And it is a double standard that this Premier will not hide in the dark. We will expose that double standard. Mr. Speaker, the people have stronger words than double standard when talking about this government. Mr. Speaker, let us shine a bit more light onto the dark shadows of this iceberg budget where you only see 10 per cent of the whole thing.

We have heard the MLA (Member of the Legislative Assembly) after MLA and the Premier himself stand up and say there was over \$300 million spent on

Saskferco. Nothing could be further from the truth, Mr. Speaker. The total was \$60 million for a 50 per cent equity -- 49 per cent, I think it was.

Mr. Speaker, let me use the dictionary to characterize that claim. I'm using **The Concise Oxford Dictionary**, sixth edition. And on the page of 625 that dictionary under the L's is the word described as claimed. Now, Mr. Speaker, there are four different definitions of the word, so I choose the one which I know is in fact parliamentary so that the NDP members may get their dictionary and understand what it is their government is engaging in when they say over \$300 million was spent on Saskferco.

The definition of this particular L-word is as follows: having one's body resting in a more or less horizontal position along the ground surface. So I say to the Premier: Mr. Premier, you are resting horizontally on the ground. And, Mr. Speaker, that is the truth. The truth is that less than \$60 million in cash was actually used to obtain the equity position. And the remainder was . . .

The Speaker: -- Order. Order. I want to draw the member's attention to Beauchesne's, paragraph 463(3):

There are few words that have been judged to be unparliamentary consistently, and any list of unparliamentary words is only a compilation of words that at some time have been found to cause disorder in the House.

I want him to refer to Beauchesne's 487, however:

(2) Words may not be used hypothetically or conditionally, if they are plainly intended to convey a direct imputation.

What the member is attempting to do indirectly, what he can't do directly, is unparliamentary, and therefore I ask the member to withdraw those words and the imputation that he has made in this House.

Mr. Britton: -- Well thank you, Mr. Speaker. I will certainly abide by your ruling. I will withdraw whatever upset you, sir.

The Speaker: -- Order, order. Order. I just want to remind the member it's not whether the words upset the Speaker, it's whether or not the words are parliamentary or not. Beauchesne's is very clear. In paragraph 487, Beauchesne's is very clear that you may not do indirectly what you cannot do directly. And what the member is doing at this particular time is trying to do something indirectly which Beauchesne's says very clearly that you can't do. And that is the point that I was trying to make to the member.

Mr. Britton: -- Thank you, Mr. Speaker. As I said, I will withdraw the remarks.

Well, Mr. Speaker, let us say it this way. The Premier said that we spent \$300 million in Saskferco. The truth is less than \$60 million was spent and in spending that

\$60 million, Mr. Speaker, they gained an equity position. The remainder was a commercial guarantee for which the government continues to receive a commercial fee. Now they attempt to pretend that loan guarantees . . . they have to pay interest on loan guarantees. That again, Mr. Speaker, is not the true facts.

(1600)

Now further to that, Mr. Speaker, the government has the right to sell its interest to recoup its \$60 million, and with the way that company is going, a very healthy profit at any time. Now that is the truth, Mr. Speaker, and the Premier should quit trying to imply otherwise.

Mr. Speaker, also in question period it has also shown this Premier and this government rests on misrepresentation, not telling it exactly as it is. Mr. Speaker, we recently had a request in question period for the government to table documents proving that they had due diligence in creating a partnership with an American gambling corporation that is under suspicion across the United States and Australia. This government refused to table those documents.

Mr. Speaker, this government goes into business in gambling with an organization where there are allegations of corruption and criminality and then refuses to provide the background checks and due diligence that was done to refute the allegations all over the world against those new NDP partners.

Well, Mr. Speaker, when the Premier ran on a platform of open government, he promised that such studies and background checks would in fact be tabled if he became premier -- a double standard; not telling it like it is. I suggest to him now, quit misrepresenting the truth in this Assembly.

Mr. Speaker, I could go on for quite a while, but I do not want to take up too much more of the time. But I want to close with a couple more observations. I have seen in the documents presented in the budget that while insulin coverage is gone, funding for the arts group is up 500 per cent. Now, Mr. Speaker, that's not a question of I'm not agreeing with the arts group, it's not a matter of causing division between artists and diabetics, Mr. Speaker, it is a legitimate question of priorities and choices.

I would suggest to you, sir, and all the members opposite, that anyone in the arts group, if they knew or felt that someone who was a diabetic was suffering because they couldn't afford their insulin, they would gladly give up some of the 500 per cent increase in their funding.

Mr. Speaker, we have an additional 5 million for arts and we have nothing for those who need oxygen to sustain them. This is a legitimate question of priorities and choices, not to say anything in a derogatory manner, Mr. Speaker, to the arts and sciences.

The NDP had more money for Women's Secretariat.

And you know what, Mr. Speaker? You know what the people of this province tell me? They tell me they would rather have the funds go to insuring children having dental care or their parents having access to special care homes or even, Mr. Speaker, many women when shown the increase in funding for the Women's Secretariat have told me they would rather the money was simply used to reduce the deficit. There again we're talking, Mr. Speaker, simply of choices that the government did have.

Mr. Speaker, this government has a political agenda that they feel is well served by borrowing money to spend on this secretariat which has done not a thing for the women of the Wilkie constituency. Most of them do not even know it exists. They don't know it's there. And if that's not division, Mr. Speaker, it is a question. It is not a division; it's a question of priorities. And I tell the Premier this: the women of this province themselves have much different priorities than he does.

Mr. Speaker, there are hundreds of millions that could be trimmed from this budget, hundreds of millions of dollars in bad priorities. But this government has made its choices. And I suggest, sir, they will be judged by them.

Mr. Speaker, I want to cover one more thing before I take my place. We have several of the members opposite getting on their feet and they talk about the great job they done when they reduced the deficit by half. Well, Mr. Speaker, we have to take a look at how the \$517 million deficit was achieved, Mr. Speaker, some of the things they done to blow up the deficit to, I think one of the members said 1.2 billion. Well they first announced it at 858 million.

Well, Mr. Speaker, first of all they gave up 200 million. They did not take 250 million out of the Crowns, which was in the budget of the previous government. Mr. Speaker, they wrote off schools and hospitals to blow up the budget. They also wrote off, Mr. Speaker, 900 million of Crown-sector investment.

Then, Mr. Speaker, they've done their fancy work with their fancy pencil and they reduced this hoax, this hoax to 517 million which was nothing but wind. Then, Mr. Speaker, they reduced that again this year to 292 million or something and said, look, look, what good boys we are.

Well, Mr. Speaker, it's like poking a balloon with a pin. All you let out is a bunch of wind. And that's what they did to reduce the budget.

You know, Mr. Speaker, I sincerely believe that they are putting a whole bunch of money in the Crowns and when it comes around to be election time, they're going to pull that money all back out and they're going to say, look what good boys we are; here's what we have done.

Well, Mr. Speaker, the people are not going to buy it. They're not buying it now. I'm getting phone calls and letters asking me to explain how they did that. And,

Mr. Speaker, I'm moving that out to them.

So I will say in closing, Mr. Speaker, I will be voting against this budget because I think they used the wrong choices. There were choices, there were hard choices, we accept that. They did not take the responsibility in making the right choices, Mr. Speaker, and I will, as I said, be voting against it. And I thank you for your time, sir.

Some Hon. Members: Hear, hear!

Mr. Lyons: -- Thank you very much, Mr. Speaker. I must say that I enter this debate with some trepidation after listening to the speech of the member from Wilkie and also the inane babblings from the member from Kindersley over there who has just shown his intelligence level. That is probably the most cogent thing he's said here during this whole budget debate.

Mr. Speaker, I want to talk about the kind of choices and priorities that this government was forced to make in drawing this budget. Let me say, first of all, that to this Assembly and to everybody who may be watching in television today that I can't think of one member on this side who was very happy about the kind of choices that we were forced to make in drawing up this budget. I can't think of one person on this side of the House, Mr. Speaker, who was overjoyed with the kind of mess that was left them, to try to pick through this pile of rotten potage left by the former government. That, Mr. Speaker -- and I say potage as opposed to potash -- I'll get into that a little later.

There was nobody, Mr. Speaker, least of all the member from Rosemont -- right? -- who was really pleased at what we had to do and what the government was forced to do in making this budget and drawing it up. But I must say, Mr. Speaker, given the choice that the government made, which was to engage in a budget-cutting exercise because of the lack of government revenue -- because of the lack of government revenue because of the actions of the former government -- that I must congratulate the Minister of Finance on her choice of ... intelligent choices that she did make in the cuts that she made in this budget.

But I'll get into that a little later, as I said. I want to, first of all, Mr. Speaker, put this budget in the context of the global economic situation that we here in Saskatchewan face. Because, Mr. Speaker, as you have seen in the past few days, other political jurisdictions have made other choices because of the fiscal situation that they found themselves in. And I predict, Mr. Speaker, that come the next federal election, whoever forms the government, whoever forms the government -- with the exception of course of the New Democratic Party -- but Liberal or Tory, should they form the next federal government, that the choices they make will be the same choices that they've made in the past, whether it's Liberal or it's Tory, which will be to engage in policies, fiscal and economic, which attacks the living standard and attacks the rights of working people.

Mr. Speaker, we heard today a perfect example of that by the member from Wilkie, who went on in most of his speech -- an address which one would characterize as less than inspiring -- but in most of his speech spent his time attacking the rights of working people to a decent life. In fact what he was doing was congratulating organizations like Safeway, congratulating organizations like Western Grocers, for forcing working people to take a reduction in their take-home pay, to forcing working people to take a reduction in their standard of living.

Because that, Mr. Speaker, is the real legacy of Liberals and Conservatives in this country, and particularly in Saskatchewan in the last 10 years. The real legacy has been a reduction in the standard of living of working people, whether they work in the city or whether they work on the farm. That's their legacy, Mr. Speaker, and the people of Saskatchewan will never forgive them for that legacy. It will be at least 50 years before they're able to poke up their political heads in this province again, to try to make an attempt to go to ... to gain power through the ballot.

And let me tell you, Mr. Speaker, that come the next election, come the next election there will not be any members of the Conservative Party sitting in this legislature, you can bet your bottom dollar on that, because they will become an extinct species in this province. They are dinosaurs now; they will be extinct dinosaurs come the next election.

I won't say the same about the Liberal Party because we already know that the Tory base is now ... part of that Tory base is now moving over to the Liberal Party. It's the same old group, right, of free-enterprisers flip-flopping, flip-flopping, the black cats and the white cats going back.

While the member from Saskatoon Greystone may take some comfort in that, let me tell you the member from Morse or the member from Thunder Creek or whoever else decides to run for the leadership of this moribund organization better not take any solace in the fact that they are on their way out as a political entity. Because the people of Saskatchewan will never ever, ever, ever forgive them for what they have done, for the kind of mountain and legacy of debt and the legacy of broken dreams that has been laid on the people of this province.

Mr. Speaker, they are only part, I say this, only part of an overall attack that's been carried out against the people of Canada, against the people of Saskatchewan because of the large corporate agenda of the Liberals and the Tories, the agenda that the Liberals and the Tories have been following.

And I want to put that into some kind of overall economic context, Mr. Speaker. First of all I want to deal with the international situation that has led this government to do what it had to do during the budget. We all have heard globalization and that local buzz-word, the buzz-word of the economists, the buzz-word of the right, that globalization has now

changed things so that we have to do things differently.

And, Mr. Speaker, there is some truth to that. There has been an increased globalization in economic affairs. Well let's take a look at what that globalization consists of.

I would submit, Mr. Speaker, that most of all it means the globalization of capital pools which are now become used as speculative investment, not for productive purposes on this globe, but for straight, outright, quick-buck -- the kind of quick-buck methodology that has been used by the Tories before.

What has happened, Mr. Speaker, is that over the last 15 years, particularly through the introduction of technologies like computer or the running of markets day and night whether it's in Hong Kong or London or Tokyo or Toronto or New York, that capital has no longer a national home. And I think it was Paul Hill, Mr. Paul Hill from Regina, who put it best and said that capital has no nationality. It has no heart; it has no conscience; it has no allegiance; it has no soul. It has one motive, and that motive is profit.

(1615)

Well, Mr. Speaker, I think that describes what's happened in terms of globalization of the economy is that the capital pools -- and I'll get to what I mean by capital pools in a minute -- but those capital pools have lost any allegiance to national or provincial development.

That's what's happened is that we see the pension funds, the insurance funds, or those large pots of money that basically are built up by the effort of working people in Canada or around the world, that those capital pools have lost any kind of semblance of national control, or to put it in other ways, that governments no longer control the ability to make investment decisions nationally, that they have lost that ability because of the transnational character, the character without country. This is capital without country and capital without soul.

Mr. Speaker, what has happened in the globe in terms of globalization is that there are people who sit at computer banks in stock trading companies and in bond rating agencies in Zürich and in Tokyo and in Hong Kong, in Toronto, pressing numbers, engaging in speculative investment, whether it's speculating against the lira, whether it's speculating against the Canadian dollar, whether it's speculating that this land value will increase more than that land value, that the large capital that is needed for investment has lost any kind of national character and has lost any kind of controllability.

And that, Mr. Speaker, is the global context that we find ourselves in. Economists call it the crisis of capital accumulation. Because you can no longer accumulate capital at the local level to make the kind of investment that's needed to put people to work, to pay for health care, to pay for education. That what we

have here, what we have here is much like, at one level, the crisis of the 1930s, but at another level has a new character because it involves the technology that's been introduced since that period of time.

We have an inability as a government provincially and federally to control those kind of investment decisions. Not totally, Mr. Speaker. I'm not trying to say that this is total lack of control, but to a great degree we have.

And how has that been reflected over the last 10 years on the national level? Well since 1984, since 1984 the national government of this country, a Conservative national government, has engaged in the policy of tight money and high interest rates. On the one hand they've done it in order to attract capital investment within Canada, but on the other hand they have done it in order to fill the pockets of their corporate backers, their primary corporate backers which are the banks, the insurance companies, the large financial institutions which back the Tory and Liberal parties.

You have representatives like Mr. John Crow, the governor of the Bank of Canada, who defends to the death the high interest rate policy. So we've engaged in a period of time over the year where interest upon interest has been compounded on public spending. Right? The artificially and historically high interest rates have contributed to the spot that we find ourselves here in Saskatchewan, but not only in Saskatchewan -- in Nova Scotia, in Newfoundland, in Ontario, in British Columbia, in Quebec.

All provincial political jurisdictions have been assaulted by the high interest rate policy of the federal government and have led to near bankruptcy -- I'll withdraw that statement -- not near bankruptcy but to a situation where no longer can the revenues that come to provincial governments meet the needs of provincial citizens. That's the situation, Mr. Speaker, that we find ourselves.

The fiscal policy, the right-wing fiscal policy of the the Conservatives -- high interest rates, historically high interest rates . . . You know, Mr. Speaker, for the two decades prior to 1984, the interest rates, the average rate of interest in Canada in terms of financing of federal and provincial governments, roughly, was around two and a half to three per cent. That's the historic interest rate pattern.

In 1984, with the introduction of the tight money policies of the Conservatives and prior to that the introduction of the tight money policies of the Liberals -- about 1975 was the first indication that this was going to happen -- we've seen interest rates well above the historic high, three and four times higher than the historic interest rates. That has impacted on every provincial jurisdiction and also on the federal government. Mr. Speaker, those kind of interest rate policies have wrought devastation to the people of Canada.

It hasn't wrought devastation to the banks because if you look at the profit statement of the banks since

1975, year after year after year of record profits accruing to the banks. Right? Because the money that you and I and the working people of this country earn day in and day out have been sucked out when we want to buy our cars, when we want to buy our houses, when we want to buy food, we want to buy clothes, and we want to put our kids through university. We pay more and more when we go to the banks to borrow our own money.

Mr. Speaker, that's the root cause, one of the major root causes of the fiscal crisis that we find ourselves in. Right? And it's a policy which has not been haphazard. It is a policy which did not occur out of the blue or because of chance or because of coincidence. It was a policy deliberately pursued by successive Liberal and Conservative governments, a high interest rate policy designed to do one thing, that is to fill the corporate coffers of the banks and the bond dealers and the large transnational corporations who provide them and who fill their pockets as politicians.

That, Mr. Speaker, is the situation we find ourselves in, because we are now at the end of that period. We're at the end of that period. All the chickens are coming home to roost. Or I should say in the context of the Bank of Canada, all the crows are coming home to roost. Right? Because the crows . . . John Crow and his cronies have picked our pockets clean; have picked the provincial coffers clean not only here in Saskatchewan, but have picked clean the coffers of every provincial government across this country.

Some Hon. Members: Hear, hear!

Mr. Lyons: -- And the other, Mr. Speaker, the other consequence of that policy has been competition on a global level for the acquisition of capital, is that we have historically high interest rates because we're trying to compete with other countries who want capital to come into their country to invest.

You see you can't control capital investment any more because the capital investment is controlled by the moneylenders and the money-changers of Zürich and Tokyo and Hong Kong. Right? Those people who sit behind their computer screens to speculate on investment. So the only way you attract that capital is to raise interest rates. So while here in Canada, we're competing against capital investment in the United States or France or Italy or countries like Chile.

You know, Mr. Speaker, 18 months ago the interest rate for American dollars in Chile was 3.2 per cent per month. That's what an investor could get investing in a bank in Chile in a savings account -- 3.2 per cent per month. Why? Why? When you think about the money that was going to flow out in interest is because in order to attract capital investment in that particular country -- and the same would apply for Argentina and Brazil or any of the other countries of Latin America -- those artificially high interest rates were used to attract that kind of capital investment, so that people could work and that people could eat.

And that's the kind of . . . that's the other side of this

equation, this competition for capital, Mr. Speaker. And in that competition for capital guess who the losers were? Was it the Royal Bank? Was it the Bank of Nova Scotia? Was it, you know, was it Royal Trust? You know, was it Canadian Imperial Bank of Commerce? No. You bet your bottom they weren't the losers, Mr. Speaker. They were the winners.

The real losers in that competitive war, that great competition that the Tories like to talk about, that competitive environment, that competitive economic situation, the real losers of that were the working people in Saskatchewan and in Ontario and British Columbia, and in Chile and in Argentina. In fact in every country around the world, that kind of competition for capital has meant nothing more than a decline in their living standards, misery, poverty, and an increase in the kind of barbarism that we see going on in the world today.

That's the kind of economic system, Mr. Speaker, that's the kind of economic system that the Tories that sit across the floor of this House defend. That's the kind of economic system that the member from Wilkie was going on and praising about. When he says look at those unions, they took roll-backs, what he's saying is it's great for working people to take a cut in their living standards.

And I say, Mr. Speaker, that's their agenda. That has been their agenda since 1982. That was the agenda that was imposed on the people of Saskatchewan. It was that agenda that's left us the kind of mess that we're in. And the people of Saskatchewan didn't take it any more, come 1991. And they're not ever going to take it again because the people of this province are not going to stand by and let their living standards be slashed and cut and hacked and rolled back for ever.

Mr. Speaker, in 1991 . . .

Some Hon. Members: Hear, hear!

Mr. Lyons: -- In 1991 the people of Saskatchewan said things are going to change. They said we're not going to put this . . . we're not going to take this kind of thing any more.

We know. We, Mr. Speaker, the people of this province knew the kind of flimflam financial accounting done by the Tories. Absolute flimflammy, Mr. Speaker. Nothing to do with reality.

We've seen the Houdini act economics of Gary Lane. One minute it's, how much was the . . . 200 million, make 400 million? One day it was 400 million, the next day it was 1.2 billion. Flimflammy, the kind of voodoo economics engaged in by right-wing parties everywhere when they try to pull things over on the people. And they tried to pull the wool over people's eyes.

For whose benefit? For whose benefit? It's certainly not the little people. It's certainly not the people in my constituency that I have the honour to represent. No,

the kind of flimflammy that benefit only the multinationals, the financial institutions, those who walked away with the wealth that was produced in this province over that 10-year period of time, Mr. Speaker. Right? Deliberate economic policy of scorched earth, that's all it was. People in this province in 1991 reject it.

Now, Mr. Speaker, it didn't only happen in Saskatchewan. The situation we find ourselves here in Saskatchewan is replicated, whether it's Newfoundland, whether it's British Columbia, whether it's Ontario, whether it's Manitoba, whether it's Alberta.

And I say this to people of Alberta. Wait till Ralph Klein, if he gets a chance to introduce a new budget, wait till that bowling ball, the bowling ball Premier, right, from Calgary, wait till he gets a chance to go chopping at the people of Alberta. You will see a budget of cruelty unparalleled in the history of Alberta, because Alberta is on the edge of a fiscal crisis unprecedented in their history, Mr. Speaker. You just watch, if Ralph Klein gets his chance. Right?

But we have seen we're all in the same boat as people across this country, as people who are citizens of provinces. Because all political parties of all political stripes are faced with that fiscal crisis because of both the international situation and the national situation.

So I suggest, Mr. Speaker, I suggest, and I want to compliment and I want to congratulate the Premier of this province for having the courage to raise the question of debt and to put it on the national agenda. The Premier and the Minister of Finance have both begun to speak out in a plain straightforward way to the people of Canada, saying unless we deal with this debt now, unless we find ways of cooperatively developing a solution to the debt, then the continuation of cuts, the continuation of trying to squeeze every last nickel out of taxpayers' dollars to provide the kind of services that Canadians have come to expect, unless we're able to do that, unless we're able to deal with that debt, what we see now will be child's play compared to what will come down the road five and ten years from now.

Because the question of raising the question of debt and putting it on the national agenda forces Canadians, I believe, Mr. Speaker, and forces the New Democratic Party into coming to grips with some realities that quite frankly I don't think have come into the public consciousness.

I want to quote, Mr. Speaker, Mr. Howard Pawley, the former premier of the province of Manitoba, the former NDP premier. I want to quote from today's *Leader-Post*. It says, and I quote:

Howard Pawley, NDP premier of Manitoba from 1981 to 1987, said New Democrat governments are making a mistake in moving toward the centre of the political spectrum.

They need to take a step back and think of ways

to keep spending under control (to keep spending under control) without alienating the party loyalists (or those who have come to support them) . . .

(1630)

Mr. Speaker, what does that mean in our context here? It means, as the Premier of the province has said, we've got to develop a cooperative plan to deal with provincial debt.

And why? Well, Mr. Speaker, during the heydays of the '60s and '70s -- and I don't think it's any coincidence -- but during the heydays of the '60s and '70s about 25 per cent of all provincial debt, and in fact of all federal debt, was what was called monetized.

That is the government, through its fiscal policy of increasing M2, the money supply, was able to keep the debt under control, was able to keep the debt being transferred not into the pockets of taxpayers, but in fact was able to do it basically through the erosion of the value of debt. I know it sounds like kind of economists' voodoo or mumbo-jumbo, but it's not. That's basically what was happening. Twenty-five per cent of all public debt during the '60s and '70s was monetized up until 1975 when the Liberals began to introduce the tight money policy that was pursued much more vigorously by the Tories.

Today, Mr. Speaker, on a national scale only 6 per cent, only 6 per cent of public debt is monetized. That's why we have the crisis of government revenue. We have on the one hand the debt spiral that economists talk about, the compounding of interest; and on the other hand, the federal government offloading its debt, offloading its debt onto the provinces. Now we've talked about offloading in this House many times before in terms of cutting real dollars for spending programs, for education and for health and for social services and for what have you. But the other side of that offloading has been the offloading of the debt through the tight money policy. Only 6 per cent, only 6 per cent of all public debt is now taken on by the Bank of Canada.

Twenty-five per cent, the economy was booming, people had jobs, there were social programs and an expansion of social programs like the dental plan. Right? Because at that point in time, at that point in time there was an understanding that fiscal policy and that a policy of reasonable credit was going to expand the economy and keep things rolling.

It didn't make big profits for the banks, because when you take away 25 per cent, you monetize 25 per cent, you increase the money supply by that much. Bank profits don't rise because they're eroded through inflation, they're eroded, the bank profits are eroded through people have got money in their pockets to pay back their debts. They don't make the big bucks when you have a monetized money supply of about 25 per cent.

But since the introduction of the tight money policy, and anybody that does any kind of economic tracking can tell you that since 1975 each and every year the profits of the large financial institutions of this country have risen in direct proportion to the cut in the money supply. Fiscal policy pursued by the Liberals and Tories means big profit for banks, it means cuts in services for you and I, Mr. Speaker. Right?

So that's the context, Mr. Speaker. That's the context that we find ourselves in putting forward this budget. And as I said earlier, nobody on this side of the House is really happy about this.

I want to, Mr. Speaker, talk about some of the solutions. As I said, the Premier of this province has called for a national debt -- the question of cooperative doing away of the national debt to be put on the political agenda in this country. And I support that call, Mr. Speaker. I think that everybody in this House probably supports that call.

I can tell you, the premiers of Nova Scotia and the premiers of Newfoundland and the premiers of British Columbia and Ontario are going to be supporting that call for putting the cooperative solution to the debt problem on the political agenda. Because with the kind of economic situation they're faced with, Mr. Speaker, they have got no other solution than to band together to deal with this problem.

And I want to make some suggestions if I can, Mr. Speaker, in terms of what I see are some of the solutions to the national debt, to that cooperative approach.

Well I think the first step in that of course is to build a united front of the provinces. To get the provinces together to say: we can no longer live under a regime of tight money; we can no longer live with John Crow; we can no longer live with the kind of fiscal policies pursued by the Tories or by the Liberal Party. We've got to change the fiscal priorities of this country.

And we as the premiers who represent, just from the NDP point of view, more than 50 per cent of the population of this country, that that united front has got to demand the removal of John Crow as a symbol to the end of the tight money policies which are starving the people of Saskatchewan and which are starving the people of Canada.

Mr. Speaker, John Crow must go, and I know that everybody on this side of the House supports that call. Okay?

Some Hon. Members: Hear, hear!

Mr. Lyons: -- The second, Mr. Speaker, once we've decided to do away with that kind of fiscal policy, is the question of how we renegotiate or restructure the debt.

And you know, Mr. Speaker, there's some very simple technical answers to that, answers which

we saw during the '60s and/or in the '70s, answers which stimulate the economy, which provide jobs for people, which will provide for an increase in the money supply to be able to put people to work, to be able to ensure the adequate care in health care or in education, be able to provide the student loan base, for example, so that students aren't left holding the bag when they graduate from university. They did it, Mr. Speaker, 25 per cent during the '60s and '70s; they can do it today.

But there are other ways because Saskatchewan is in a fiscal situation where we need some fiscal breathing space. I don't think that there's anybody in this province who realizes that we need some fiscal breathing space to be able to have the kind of time to put our province back on track and to make the kind of structural adjustments that are needed in education and in health, in social services, and in terms of building the kind of province that we want.

Mr. Speaker, the federal government through the Bank of Canada can very easily provide that kind of fiscal breathing space for all provinces, not just Saskatchewan, by agreeing to buy a percentage of Saskatchewan savings bonds, Manitoba savings bonds, British Columbia savings bonds, Ontario savings bonds, at a rate at historically . . . that the historical interest rate of the '60s and the '70s, the two and a half, 3 per cent -- to be able to provide that so that we don't end up paying \$800 million every year to the bankers and the bond dealers around this country; so that we cut the interest costs; so that we get that fiscal breathing space; so that we can reduce our overall debt; so that we can get Saskatchewan back on the road to economic recovery.

So that the money that we save, instead of it going out to Zürich or Geneva or Tokyo or New York or Bay Street in Toronto, instead of the money flowing out there, we can use that money for investment in Saskatchewan to build the kind of industrial base that we need in this province to put people to work, to put people in school, and to provide the kind of life that we here in this province want to have, Mr. Speaker. Right? I believe that that is . . . that's essential. And that is part of the call for cooperative fiscal arrangements that is part of putting debt on the public agenda; that the right to renegotiate and restructure the public debt, Mr. Speaker, must be responded to in a favourable way by the federal government.

Of course, Mr. Speaker, there are several other things that need to be done. There's the question of tax reform. We've seen during the years from the mid-'70s onward the shifting, each and every year, each and every budget, the shifting of tax burdens away from those who can afford to pay the most onto the backs of those who can afford to pay the least.

In 1953 in this country, Mr. Speaker, corporations paid 50 per cent of all taxes accruing to the federal government. Individuals paid the other 50 per cent. By 1990 corporations paid 17 per cent, Mr. Speaker, 17 per cent. Individuals paid 83 per cent of all tax revenue accruing to the federal government. We have seen that, Mr. Speaker. There is something wrong

there.

Where's the fairness in that kind of tax system? Tax loophole after tax break after deferred tax program for corporations. One after the other, successive Liberal and Conservative governments have given their big-business friends the tax breaks -- right? -- while they're breaking the backs of ordinary working Canadians; ordinary people in Saskatchewan -- right? -- who don't get those kind of tax breaks, don't get those kind of tax deferrals, don't get those kind of tax advantages that the rich, the powerful, and the corporate elite get. And I don't mean just as individuals. I'm talking about as corporate organizations.

We all know the story, Mr. Speaker, of the teller at the Royal Bank who paid more in income tax in 1990 than the whole Royal Bank did, despite the hundreds of millions of dollars in profit made by the Royal Bank in that year. Right? That's what I'm talking about, Mr. Speaker.

There is no tax fairness in this country. And until we get a government in Ottawa committed to tax fairness, the same kind of flimflammy at the fiscal front will be continued and will go on. We need to get rid of those who provide tax loopholes for the rich and put in place those who provide tax fairness for all Canadians, Mr. Speaker. And that's another part. That's another part.

Some Hon. Members: Hear, hear!

Mr. Lyons: -- That, Mr. Speaker, is another part of a program for dealing with the fiscal crisis that we face.

And, Mr. Speaker, I want to finish up by saying that as another -- this is a personal viewpoint and observation that I put forward -- that as another integral part, in terms of trying to deal with the fiscal crisis and the economic situation that we face in Saskatchewan, that we've got to begin to look and re-examine the notion of public ownership in this province.

It seems to me, Mr. Speaker, that there's no coincidence between the privatizing of our public assets, whether it be potash or oil, the privatizing of those natural resources, sodium sulphate on the one hand, and the increase in the debt load on the treasury of the people of Saskatchewan, on the treasury of this province on the other.

In fact, Mr. Speaker, I would argue, and I have done at some length prior to this day in this legislature, that when it comes to natural resources the people of Saskatchewan have a right to a fair return. And I take the position, Mr. Speaker, that that fair return can only accrue to the people of Saskatchewan through the instrument of social ownership. And I will debate, I'm certainly willing to debate anyone in this legislature on that point, that the profits made from potash should be going to pay for health care, not for Chuck Childers 700 or 800 or 900,000 a year golf lessons, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lyons: -- That the money, the profits from the oil companies that operate in this country should be going to pay for the children's dental plan, should be going to help students go to university, should be going to put people to work rather than enriching some fat-cat stockholder, capitalist type so he can play golf at an exclusive club in Phoenix, Arizona, Mr. Speaker. That's what we're talking about here, right? -- where the wealth of this province goes and how it's shared.

And it is my position, Mr. Speaker, as a member of this legislature, that in order to get us out of the fiscal problems and the economic problems that we find ourselves in, that we have to use those resources to develop the second, or I should say the third, level of economic development for Saskatchewan. And that is investment in industry, in manufacturing in this province, based on a planned, an overall developmental plan which will have as its goal full employment so that we don't have people unemployed in this province, so that we have a place for those who graduate from our universities and technical schools to go to, that will have as its goal social usefulness.

We don't need to set up more toothpick factories or toothpaste factories.

An Hon. Member: -- Band-aids.

(1645)

Mr. Lyons: -- I think there's band-aid factories. There are enough of those elsewhere in the world, but that there are things that we here in Saskatchewan can do, whether it's in agricultural biotechnology or in freezer technology or in manufacturing technology, and that, Mr. Speaker, that in terms of the harmonious development of our economy, that we mesh it with the agricultural base of Saskatchewan.

I would submit, Mr. Speaker, that as a vision for the future, that we have got to look at our roles as citizens of the world and citizens of this country, that as part of our vision for the future we should be looking at our role in life as to feed the hungry -- not only the food, Mr. Speaker, but the technology and the knowledge that those who are less fortunate than us, not only in Saskatchewan but globally, should benefit at our labours.

Mr. Speaker, perhaps that's utopian. Perhaps that doesn't fit in with the kind of pragmatism that the Tories like to talk about or that the member from Saskatoon Greystone likes to talk about. But that there is a purpose, Mr. Speaker; there is a purpose for what we do here in this province and the labours that we engage in; and that that purpose be there is a higher order and a higher purpose other than grubbing for bucks; and that the higher purpose should be to build the brotherhood and sisterhood of man, Mr. Speaker; that that is part and parcel of our role here in

Saskatchewan as citizens of this province.

We have seen, Mr. Speaker, we have seen that their way doesn't work. Their way doesn't work. It led to greed. It led to chaos and greed, disharmony. It led to the kind of society and mess that maybe as individuals, members over there, they enjoy. Maybe they enjoy bothering their neighbour, Mr. Speaker. Maybe they enjoy trying to figure out ways in which they can put their neighbour down, maybe steal their neighbour's land. Right? Maybe not give them a fair price for their labour. Maybe that's what the kind of individual . . . maybe that's the kind of individualism, the kind of rotten individualism that we have seen for too long in this province. Right?

Maybe, Mr. Speaker, the members opposite should really take a good look in the mirror to see whether no matter what they think is reflected in what they actually do.

Maybe for example, Mr. Speaker, the member from Moosomin, the member from Moosomin can justify, can justify the actions of their government over the last 10 years when he sat on the government side of the House. Maybe he can justify, maybe he can justify filling the pockets of the rich and powerful at the expense of ordinary people in Saskatchewan. Maybe he, when he looks in the mirror, can justify each and every action -- the kind of crookedness, the kind of crookedness which has led to criminal charges being laid to those who worked for the former administration. Maybe he can justify that, Mr. Speaker, in his own conscience. I don't think, I don't think he could if he took a good look in the mirror.

Or maybe, Mr. Speaker, the fine words that we sometimes hear emanating from the other side is nothing more than the kind of hypocrisy that has become famous for Tory governments, whether they're in Ottawa or in Regina.

Mr. Speaker, I'm going to support this budget. And I say that, and it's hard and heavy on my heart to do so. Yes, it is hard and heavy on the heart of every member on this side of the House, Mr. Speaker, but we're going to stand together. We're going to stand together because we believe that there is a higher order and there can be a new day.

And, Mr. Speaker, I ask all people in Saskatchewan, I ask all people in Saskatchewan, join us. Not to blindly follow us. Not to give undying allegiance to us or blind allegiance to us, but join us as we engage in the kind of constructive dialogue needed to build the kind of society that we, the ordinary people of this province, want to build.

Mr. Speaker, with that I will . . . I want to say that I enjoin all people of Saskatchewan to join us on that road to renewal. And I want to thank my colleagues, Mr. Speaker, for the opportunity of speaking here today.

Some Hon. Members: Hear, hear!

Hon. Mr. Penner: -- Thank you very much, Mr. Speaker. It is a pleasure for me this afternoon to follow my colleague from Regina Rosemont. I'm not sure that I can be quite as inspiring as he was, but I certainly enjoyed the speech that he gave here this afternoon.

Mr. Speaker, I'm pleased to rise today to speak in support of this government's 1993-94 budget. I am proud of this budget, Mr. Speaker, and I find that the more people know about this budget, the more they are willing to support it for what it does for Saskatchewan people.

I spent last Friday and also this past weekend at public meetings and various functions in the communities of Weyburn, Estevan, and in my home constituency of Swift Current. I am pleased to report to this House and to the people of Saskatchewan and to the members opposite, that people generally support this budget. They say it's about time that government made some serious effort to tackle the deficit and the debt that we have in this province.

Mr. Speaker, this budget puts forward a credible plan for balancing the budget in Saskatchewan. This budget makes creating jobs the top priority and takes many positive steps to encourage economic growth. And this budget provides protection, protects the public services by rationalizing those services and by streamlining the delivery of these services. And it does all of this, Mr. Speaker, with compassion.

Indeed while the budget is characterized by significant restraints, it actually increases the help for the poor and the working poor. We are not balancing this budget or financing economic development or rationalizing public services on the backs of the poor, the sick, or the elderly as the previous administration did. That's not the Saskatchewan way and that's not the way we're going to do this, Mr. Speaker.

The financial problems we face are real and very, very serious. In 1991 we inherited a financial boondoggle of truly staggering proportions -- a \$15 billion debt with annual interest payments exceeding 760 million a year and growing. In only 10 years, Mr. Speaker, Saskatchewan's financial problem went from one of the strongest . . . financial position went from one of the strongest in the country to one of the weakest in the country. Ten short years of Tory administration, but 10 very long years for the people of Saskatchewan.

Now the chickens have come home to roost. The bills are due. And we all have to pay for the previous administration's era of unrestrained excesses. Let me put our situation into perspective, Mr. Speaker. Saskatchewan is like a household with an income of \$50,000 and credit card debts of 125,000 and it's still spending more than it earns each day. Such a household would find it very difficult to borrow money. Governments are no different. We either learn to live within our means or face the prospect of someone else taking over our affairs.

It has to start now, Mr. Speaker. Government spending should be put . . . should be about programs to help

people, not to pay interest charges to people in various parts of the world, these faceless investors who have loaned us money and are siphoning off the profits of this province. I'd like to see this money spent on creating jobs, on building schools and health clinics, on income support for farmers, on seniors. Frankly, I'd rather see it spent helping families and building strong communities than giving it to the investors of the world, Mr. Speaker.

But having the financial freedom to do that demands we get our fiscal house in order. This budget contains a plan which will put our fiscal house in order while allowing us to protect and maintain vital public services. This budget has a plan to secure our future and restore our financial freedom, Mr. Speaker.

We believe provincial budgets are much more than just annual, one-shot affairs. Each budget builds on the last and leaves the groundwork for the next. Wherever possible people ought to know what is coming this year and also what is coming next year and the year after that. That's what effective financial planning is all about. That's how we intend to balance our budget within the next four years, Mr. Speaker.

I report to you that we will be able to do it because we have brought government spending under control. We began that task in our first budget by reducing operating expenditures by 4 per cent and we're reducing operating expenditures again this year by a further 3 per cent. That, Mr. Speaker, is 7 per cent reduction over two years. No other jurisdiction in North America has made such strides in reducing their expenditures.

Mr. Speaker, a number of new expenditure reductions were introduced this year. And I'd just like to cite a couple of them. Communications expenditures have been cut again, bringing the two-year reduction to over 40 per cent. Staff development costs have been reduced and leasing costs for office space has been cut by \$1.5 million. Government itself is being reorganized to reduce duplication and provide more accessible, streamlined services.

Mr. Speaker, reorganization alone will save taxpayers \$5 million a year. We know full well that every dollar counts. Every dollar saved is another step towards financial freedom.

We want a more responsive, effective, and efficient government. We know that the people of Saskatchewan want this too. We are leading by example, making government more effective and more accountable. Together we will secure a better future for ourselves and for our children.

As a first step, Mr. Speaker, we have made job creation one of our top priorities. But there are limits to what a province can do to stimulate growth and create jobs. We are not an economic island. We cannot insulate ourselves totally from federal policies or from changing world economic conditions. The main economic levers -- interest rates, taxation, and trade policy -- rest with Ottawa. That's why we're calling

for a national approach to economic development, one which focuses on creating sustainable jobs.

But I'll tell you, Mr. Speaker, we will not sit idly by hoping for positive action from Ottawa. Past experience in dealing with Ottawa makes that a pretty risky strategy at very best.

Mr. Speaker, we will do all we can to create jobs now and we have a new approach to economic development. In the 1980s hundreds of millions of dollars went into megaprojects that drained our treasury while creating very few jobs. And the previous administration squandered more than a billion dollars on credit-robbing loan guarantees which we may have to make good on.

Mr. Speaker, our economic plan for the 1990s charts a new course in partnership with business, labour, and communities. And it includes some of the following. It includes giving our co-ops and small-business sector an edge. It includes creating incentives for new investment, promoting value added processing, pursuing new growth and industries, improving our infrastructure, and enhancing our highly skilled workforce.

Some Hon. Members: Hear, hear!

Hon. Mr. Penner: -- Mr. Speaker, we're laying more groundwork for that plan in our budget by reducing the small business corporation income tax rate by 20 per cent over a two-year period. We're improving Saskatchewan's labour venture program; we're offering another issue of Saskatchewan savings bonds; we're inviting the Saskatchewan people to participate in providing revenue for the government's budget. We're allowing an 8 per cent manufacturing and processing tax credit; a \$51 million investment in new growth opportunities; and increasing the infrastructure investment by 10 per cent this year.

Mr. Speaker, time does not permit listing all the positive initiatives in this budget. My colleagues on the other side of the House say, we could have done more. They keep saying we should have harmonized the E&H tax with the GST (goods and services tax). They say that makes more sense than selectively adding an additional 1 per cent to the E&H tax.

Mr. Speaker, these deficit dilettantes across the floor lack the credibility to give anyone advice, and their own numbers prove just how far off the mark they really are. When they planned on harmonizing the GST with . . . the PST (provincial sales tax) with the GST in 1991, they predicted that they could raise an additional \$420 million.

Could you imagine, Mr. Speaker, the impact that that kind of tax would have on Saskatchewan people and on the Saskatchewan economy? Our modest 1 per cent increase in the E&H will raise \$70 million, and they suggest that the 420 million they thought they would get from the taxpayers is a better deal for the people of Saskatchewan. That's their kind of voodoo economics that we hear about.

Mr. Speaker, we believe this is a fair and even-handed way to go.

I want to very briefly discuss the public services and the compassion aspect of this budget. Rising costs and federal offloading are undermining health care, education, and social services. We do not believe people want to give up on medicare. They don't want to give up on education or on help for the poor and the working poor.

Mr. Speaker, we believe people want rationalized services, streamlined delivery, and elimination of waste and duplication, and that's just exactly what we're doing in this budget.

Some Hon. Members: Hear, hear!

(1700)

Hon. Mr. Penner: -- Once again, Mr. Premier, Saskatchewan is pioneering new paths to secure public services for the next generations. And I would like to give you some examples.

School boards are sharing services. They're including group tendering, payroll accounting, and computer networks. Communities are forming partnerships to plan, administer, and coordinate local services. And new partnerships are being formed to build a second generation of health care based on wellness. And, Mr. Speaker, many communities are forming their own health districts to take control of the planning and delivery of local health services.

We are making public services more responsive by returning control of them to our communities and we are protecting those services for future generations by making them sustainable.

Mr. Speaker, I'd like to just spend a minute on the spirit of this year's budget. I say, Mr. Speaker, that this is a budget of hope. Our work as a society is measured by how well we protect the most vulnerable among us. The most vulnerable in our society are children. Far too many live in poverty or unstable home situations.

Our budget provides hope and acts to improve the lives of children and families, help for the working poor through increased payments under the Family Income Plan, and an increased social assistance for families with children.

Mr. Speaker, this budget provides \$18 million for programs that benefit our children, money for child care, hunger programs, and a revised dental program targeted to children in low income families. Single parent women need special support. The budget provides more money for infant care centres to encourage single parents to finish their education.

Funding for home care in Saskatchewan, Mr. Speaker, has been increased to \$43 million. The seniors will receive more benefits under the chiropractic and

optometric services programs and the drug plan. The drug plan itself will be made more sensitive to those with low incomes and those with high drug costs.

Mr. Speaker, this is deficit reduction with a difference. There is an element of compassion in this budget. It reduces spending but at the same time, as I said, it shows compassion.

This budget also signals a new era for the Crown corporations sector in Saskatchewan. Mr. Speaker, the previous administration drained the Crown corporations of their financial resources and turned them from productive contributors to our economy to being burdens on the public purse. We have changed that, Mr. Speaker.

Under our government the Crown corporations will once again contribute economic growth and job creation to our economy by investing \$520 million in capital projects over the next year.

Mr. Speaker, I've talked about a plan to secure our future, a plan to create jobs and strengthen our economy, and a plan that will balance the budget within four years. We are on the leading edge of financial and social reform in Canada. Our eyes are firmly fixed on the future.

Some say we're moving too quickly to balance the budget. But in the 1980s the government spent what they did not have and left the bills to be paid by our children. I say, Mr. Speaker, that era is over for good.

Some Hon. Members: Hear, hear!

Hon. Mr. Penner: -- Some say we should not raise taxes. I ask those people: how then would you balance the budget without eliminating the safety nets that protect our families? Still others say that we did not create this deficit, so why should I worry about paying for it or sacrifice to eliminate it. Well, Mr. Speaker, you and I did not create this deficit but unfortunately this deficit now becomes everybody's problem, and that includes all of us here and all the people in Saskatchewan. We have to work together to overcome it if we hope to secure a better future for ourselves and our children.

Bold, decisive action is required and bold, decisive action is what we are proposing. Our balanced-budget plan will save Saskatchewan, and it will give us the financial freedom to build a better future for our children and our grandchildren.

Mr. Speaker, I will be supporting this budget and I am pleased to be part of a government that provides vision, hope, and prosperity for this province. This is the right budget for this time. In spite of difficult circumstances, this government has made the tough decisions required to begin to turn things around. The credit-rating agencies of the country and of the United States are giving our government full marks for bringing in a budget that signals the beginning of a new era, an era of hope and prosperity.

Mr. Speaker, I'd like to congratulate the Minister of Finance, our Premier, my cabinet colleagues and all my caucus colleagues for the courage they have shown in presenting this bold, decisive plan of action to the people of Saskatchewan.

And therefore, Mr. Speaker, I am very proud to support this budget. Thank you.

The Assembly adjourned at 5:06 p.m.