

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Osika: — Thank you, Mr. Speaker. I present a petition on behalf of concerned citizens with respect to offences committed by young offenders:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to establish a special task force to aid the government in its fight against the escalating problem of youth crime in Saskatchewan, in light of the most recent wave of property crime charges, including car thefts, as well as crimes of violence, including the charge of attempted murder of a police officer; such force to be comprised of representatives of the RCMP, municipal police forces, community leaders, representatives of the Justice department, youth outreach organizations, and other organizations committed to the fight against youth crime.

And as in duty bound, your petitioners will ever pray.

The signatures on these petitions are a little far more reaching, Mr. Speaker — Saltcoats and Rokeby.

Mr. McPherson: — Thank you, Mr. Speaker. I rise today to present more petitions on the big game problems that we have in rural Saskatchewan. The prayer reads as follows:

Wherefore your petitioner humbly prays that your Hon. Assembly may be pleased to: (1) change the Saskatchewan big game damage compensation program so that it provides more fair and reasonable compensation to farmers and townfolk for commercial crops, hay, silage bales, shrubs and trees, which are being destroyed by the overpopulation of deer and other big game, including elimination of the \$500 deductible; and (2) to take control measures to prevent the overpopulation of deer and other big game from causing this destruction.

And as in duty bound, your petitioners will ever pray.

The people that have signed this petition are all from the village of Frontier and the RM (Rural Municipality) of Frontier in the south-west part of the province. I so present.

READING AND RECEIVING PETITIONS

Clerk: — According to order the following petitions have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

Of citizens petitioning the Assembly to reverse the municipal revenue-sharing reduction;

Of citizens petitioning the Assembly to establish a task force to aid the fight against youth crime; and

Of citizens petitioning the Assembly to assist women in poverty by continuing the services of Working for Women in Saskatoon.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Goohsen: — Thank you, Mr. Speaker. I give notice that I shall on Wednesday next move first reading of a Bill, The Democratic Unionism Act. Thank you, Mr. Speaker.

INTRODUCTION OF GUESTS

Hon. Mr. Romanow: — Thank you, Mr. Speaker. Mr. Speaker, it is my distinct privilege to introduce to you and to the members of the House, the Premier of Free State province in the Republic of South Africa, Dr. Ivy Matsepe-Casaburri, who is seated in the Speaker's gallery. Would you please stand, Doctor. There's the Premier, and a nice warm welcome, please, for her.

Hon. Members: Hear, hear!

Hon. Mr. Romanow: — The Premier is accompanied by Mr. Samson Makena, who is the third secretary of the South African High Commission in Ottawa, and Dr. Michael Jackson of the Saskatchewan protocol department.

This is the Premier's first visit to our province since she took over that office in December, 1996 and we're very honoured that one of her very first trips abroad includes a visit to our province of Saskatchewan.

Mr. Speaker, in some ways this should be expected because our province has had a special connection with Free State, South Africa. Since 1993 our government has worked closely with the province, Free State, in developing institutions of governance. The new South Africa is not only a parliamentary democracy but also a federal state, and it has been our unique privilege to host many elected representatives and officials of Free State to exchange views on our models of government.

Premier Matsepe-Casaburri has had a distinguished career as an academic, public administrator, and international development specialist with the United Nations. She has chaired the South African Broadcast Corporation and has served on numerous other science and technology and telecommunications boards. She is particularly devoted to policy development in the new South Africa in the fields of gender equity, education, and economic development.

Mr. Speaker, the ministers of Intergovernmental Affairs and Justice and the opposition and third party leaders have attended, or will be attending, various meetings and functions with the new Premier, and I'll be having the pleasure of hosting the reception and dinner for her this evening.

I'd ask all members to once again join me in extending a very warm welcome to our special guest, the Premier of Free State, South Africa, Dr. Ivy Matsepe-Casaburri.

Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, on behalf of the official opposition, I too would like to add to the Premier's words a warm welcome to Saskatchewan and to the Legislative Building to Dr. Matsepe-Casaburri.

I note on her biography a list of tremendous number of accomplishments, many different things that the doctor's been involved with. But I note also that she has spent a great deal of time in the field of education, and as a fellow educator I want to compliment her on the work and the efforts that she's put in into her own province of Free State and wish her a very, very enjoyable Saskatchewan visit. Thank you.

Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. On behalf of our caucus I would also like to welcome the Premier to Saskatchewan, and Mr. Makena. We had a very delightful lunch with the representatives from South Africa where we had the opportunity to discuss the roles of government and opposition. I hope that this aided them in their deliberations, and if the Premier ever wants to invite any members from this legislature to visit South Africa, January is a good time to do that.

I would just again ask members to welcome the Premier and Mr. Makena to our Assembly.

Hon. Members: Hear, hear!

Mr. Osika: — Thank you, Mr. Speaker. In the east gallery I would like to introduce to you and to my colleagues in the Assembly, an acquaintance and a gentleman I am pleased to be able to call friend, Mr. Alan McIntyre, who is a respected attorney here in the city of Regina. Please welcome him to the Assembly today.

Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. I'm also happy today to have the privilege of introducing to you and through you to the rest of the members of the Assembly, two young men from my constituency, from down at Eastend, Saskatchewan. I don't know yet why it's called Eastend when it's in the furthest west part of the province, but they're up there giving us a briefing on how things are with the Frenchman River this spring, and the potentials of some flooding that's going on.

They're also so of course two young men heavily involved with the museum down there which will be built to house Scotty the Tyrannosaurus rex. And of course the tourism in that area is going to be booming this summer we know, so we know that these young men are going to help out a lot.

We have Craig Vansandt and Scott Morvik, and if they will take a little bow, I'd ask all members to please welcome them here today.

Hon. Members: Hear, hear!

Passing of Justice J.G. McIntyre

Mr. Osika: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to offer my condolences to the family and friends of the Hon. Justice Joseph Gerard McIntyre. Justice McIntyre passed away on Friday, and I know he will be sadly missed by all those close to him and with many people in Saskatchewan.

He was a very active and well-respected member of the community and involved in numerous events too numerous to list.

Justice McIntyre had a long and distinguished legal career, a career which culminated with his appointment to the Court of Queen's Bench of Saskatchewan in 1981. This achievement was based on the integrity of his work as a criminal defence lawyer and his dedication to the legal profession.

He was a man ready to act on his beliefs. He worked hard to establish separate high schools in Regina and he served on the separate school board for nine years.

Justice McIntyre was well known for his wit and camaraderie. He had a great deal of compassion for the little guy in matters of conflict, and our province has had the good fortune of his hard work and able judgement since he moved here from Cape Breton in 1953.

I have had the pleasure of being acquainted with and sharing the enjoyable companionship with his son, Alan, the attorney here in Regina. Family, friends, and the people of Saskatchewan all share in mourning the loss of Mr. Justice McIntyre and I'm sure all hon. members here of this Assembly will join with me in expressing our deepest sympathy to the family.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Fire at Grace Haven

Mr. Van Mulligen: — Mr. Speaker, last Thursday fire destroyed Grace Haven, the Salvation Army's home for single mothers in Regina. Twelve people, including staff, five teen mothers, and three babies, safely escaped from the fire. One fire-fighter suffered second degree burns while fighting the fire, but he has been discharged from hospital and is reported doing well.

The five teen mothers lost all of their possessions in the fire. News reports, I am proud to say, suggest that Regina's are responding generously to an appeal for help. They are donating money, clothes, baby items, and free lodging. More is welcome and people should contact the Salvation Army for details.

There is in this tragedy some additional good news, Mr. Speaker. No lives were lost. Fire department officials point out that smoke detectors worked as they should in alerting Grace Haven residents and that monthly fire drills resulted in an orderly and timely evacuation.

STATEMENTS BY MEMBERS

Grant Nicurity of the Regina Fire Department said, quote: "If they didn't have effective fire prevention measures, this fire would have had tragic results."

I think it appropriate, Mr. Speaker, to recognize and applaud the ongoing efforts of fire-fighters to promote prevention and the efforts of the Salvation Army personnel in implementing an effective fire prevention program.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Success of Durafibre

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, today I rise to salute the accomplishments of a local initiative in the Canora area. Every farmer who has grown flax knows how difficult it is to dispose of the straw after harvest. Most often, this nuisance is burned in the field.

In 1991 a group called Sask-Can Fibre organized itself to purchase flax straw and develop a useful product from the strong straw fibres. A partnership was formed with Cargill Limited to assist in processing and marketing. Sask-Can Fibre has successfully developed a process to separate the fibre from the chive waste product. This cutting edge technology was developed right in Canora, Saskatchewan, Canada, Mr. Speaker.

A new straw processing plant was constructed in 1995 under the name of Durafibre. It is difficult for a new product to catch on, but last week Durafibre announced its first major sale to Terra America, an erosion control company in Idaho.

Mr. Speaker, Durafibre's first major sale is a crucial turning point and it's the foot in the door a new company requires. Through local initiative, a waste product is now being turned into a value added agricultural commodity.

Mr. Speaker, I ask all members to join me in congratulating Durafibre for their accomplishments in becoming a real Saskatchewan success story.

Some Hon. Members: Hear, hear!

Floods in Swift Current

Mr. Wall: — Thank you, Mr. Speaker. In my part of the world, we are accustomed to a variety of character builders from nature — drought, prairie fire, hail, grasshoppers, straight or funnelling winds. Until now though, we haven't had a lot of experience with floods — that is until now.

As you know the Swiftcurrent Creek has jumped its banks; but the quick action of city crews, the EMO (Emergency Measures Organization), the RCMP (Royal Canadian Mounted Police), the Red Cross, and hundreds of concerned volunteers prevented extensive damage. We had some flooded basements, a couple of flooded living-rooms, and a washed-out bridge.

Other communities in the area are also under siege, particularly

Ponteix, which has had three roads washed out. Of course farmers in the area are concerned about their livestock and buildings. I'm sure that similar cooperative, energetic measures will be undertaken in these areas.

Mr. Speaker, in Swift Current the creek rose 5 metres above its banks. The people of Swift Current worked throughout Saturday and Sunday to build a 500-metre-long sandbag wall, using over 30,000 sandbags. The Red Cross set up a centre to keep track of those displaced. The Mounties worked round the clock. Mayor Paul Elder and his crews provided great leadership, and we think and pray that the worst is over.

I know all members will join me in expressing admiration for the work already done and in hoping for a slower run-off henceforth. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Movies That Couldn't Have Been Made In Saskatchewan

Mr. D'Autremont: — Thank you, Mr. Speaker. Tonight is Oscar night in Hollywood. And once again, in spite of all the government's talk about investing in the film industry in Saskatchewan, we see that none of the nominees for best picture could possibly have been made in this province.

The English Patient couldn't have been made here. With the state of Saskatchewan health care, he probably would've died before the opening credits.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — *Jerry McGuire* couldn't have been made here. We're still waiting for the Finance minister to show the money for municipalities from VLT (video lottery terminal) revenues. Of course *Fargo* couldn't have been made here. Fargo is in North Dakota, eh? And *Shine* couldn't have been made here because, judging from the throne speech responses by members opposite, a babbling lunatic wouldn't be considered all that unusual in this province.

But on reflection, Mr. Speaker, I guess I have to be fair and admit that there is one Oscar contender that could've been based on this NDP (New Democratic Party) government. That movie is, of course, *Secrets and Lies*. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Country Music Awards

Mr. Flavel: — Thank you, Mr. Speaker. Mr. Speaker, Saskatchewan has become Canada's capital of country music. Last night at Saskatoon's Centennial Auditorium a crowd in excess of 1,500 people watched as many of Canada's finest country performers were honoured at the Saskatchewan Country Music Association's eighth annual MIKEE awards.

Winners of this year included Marilyn Fay Parney, entertainer of the year; Marty Grambo, male vocalist of the year; Tammy Hunter, female vocalist of the year; and The Poverty Plainsmen,

group of the year. Country radio station of the year went to CJVR in Melfort.

The Saskatchewan Country Music Association is Canada's largest provincial, music-based organization, boasting a membership of over 800. Through the efforts of the SCMA, Saskatchewan country music performers, writers, audio and video producers, and sound recording engineers are enjoying unprecedented success worldwide, while creating approximately 87 million in economic activity each year for Saskatchewan's economy.

Congratulations to all nominees and winners, and to outgoing president Jim Chute, and president-elect Larry Knibbs for a job well done.

Some Hon. Members: Hear, hear!

Naicam Cadet Corps

Ms. Draude: — Thank you, Mr. Speaker. The cadet program in Saskatchewan is founded on respect and self-discipline, offering training on leadership, community service, self-esteem, winter and summer survival, and physical fitness.

Mr. Speaker, today I would like to recognize the Naicam Cadet Corps led by Capt. Scott Ponath, which has developed a superb biathlon and rifle program.

This corps has sent a female team to the biathlon national competition for the past three years, a boys' team last year, and the top male from Saskatchewan for several years. To get to the national competition, the team must win at the army cadet competition and then at the tri-service competition of army, navy, and air cadets.

One member of the girls' team has developed a love of the sport and became a member of the Saskatchewan biathlon team. Louise Weber competed at the national biathlon race where she placed first in the 7.5 kilometre individual, and fourth in the 6 kilometre sprint. She then caught a plane and joined her cadet team-mates, Jackie Kellington and Helen Meekins, in Valcartier, Quebec, for the cadet national biathlon race where she won a gold medal in the 6 km individual race.

March 22, the air rifle team of Jackie Kellington, Helen Meekins, Kelly Ungar, and Darren Draude won gold at provincials in Regina and will be competing nationally in Ottawa during Easter break.

Mr. Speaker, I would ask this Assembly to join with me in congratulating the Naicam Cadet Corps on their hard work and accomplishments in the biathlon and wish those competing in the riflery the best of luck in the upcoming competition.

Some Hon. Members: Hear, hear!

Cooperative Program between Sherwood Co-operative Association and Regina Catholic North-west Schools

Ms. Murray: — Thank you, Mr. Speaker. Last week my colleague from Battleford-Cut Knife stood in this Assembly and applauded the transition-to-work program implemented in this

province.

Enriching the lives and increasing employment opportunities for students is most important, so I am very pleased today to congratulate the cooperative partnership that has been established between the Sherwood Co-operative Association and the Regina Catholic north-west schools.

This partnership enhances education and promotes community interest in school. This new model, Mr. Speaker, combines the interests of both the business and the education communities by preparing youth for the challenges of today's society.

The partnership will provide students with the opportunity to interact with business people and better prepare them to enter the workforce. Its success relies on the involvement of students, parents, teachers, and community members. Because the program is community based, the community benefits.

It was a pleasure to attend the signing ceremony, Mr. Speaker. The enthusiasm and commitment of the partners to this project was very encouraging. I congratulate them for this initiative; I know it will succeed. Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Saskatchewan's 1993 Budget Crisis

Mr. Gantefer: — Thank you, Mr. Speaker. Mr. Speaker, back in the fall of 1991 as many of us campaigned across this province, probably the worst kept secret in this province was the mess that the previous Tory government had made of our finances. And yet I found it fairly surprising over the weekend to see that the Premier was very short to come to a realization of the seriousness of what was going on. I recall that there was a Gass Commission and number of reports and resources of government that should have made that available. And I noticed with alarm that it's . . . he's quoted as saying that there was one budget where we were simply grid-locked in ideology between cabinet and caucus.

My question is, Mr. Minister, is that if everyone in the province knew what a miserable state of financial affairs we had in 1991, why is it that it took us almost 15 months before you did something about it?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the hon. member of course concocts a question from a completely false state of facts and assumptions, with the greatest respect. We took the position when we were sworn in on November 1, 1991 that we would set up a committee, headed by Don Gass, called the Gass Commission, to examine the state of the books. That commission completed its report and we're able now to assess truly the situation.

You might also know that before that time and before we assumed office — on or about June 17, 1991 — Mr. Grant Hodgins, who is well-known to you as the former member from

the constituency of Melfort, got up and in his resignation from the Devine government of the day, said the province is on the verge of bankruptcy and we cannot afford to do otherwise — referring to why he was opposing the Fair Share concept.

And I have talked about this in my television addresses as Premier. We knew the gravity of the situation and acted on it immediately after getting Gass. It's not a story so much of difficulty as it is a story of cooperation — the people of Saskatchewan pulled together, rallied around the flag. And it's a story of cooperative federalism between Ottawa and the provinces that has allowed us to present the kind of budget which we did on Thursday by the Minister of Finance — a budget of hope and optimism and opportunity.

Some Hon. Members: Hear, hear!

Mr. Gantefer: — Mr. Speaker, for someone that was so knowledgeable about the mess, I find it very strange that it took until the spring of 1993 for your government to solicit the support of the federal government to keep Saskatchewan from being pushed into bankruptcy.

Mr. Premier, I wonder if you would like to share with us at this time what you haven't shared over the last three years. What were the terms and conditions of the deal that were made between your government and Ottawa to keep us from falling over the cliff that you seemed to know about all along?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the hon. member should know that it was always the intention of this government, and it is the premiss of this government at all stages, from 1991 — the very difficult years and dates — that we were not going to allow bankruptcy in the province of Saskatchewan under any circumstance. It was just simply unthinkable.

The hon. member also knows that there were a number of widespread reports in *The Globe and Mail* and elsewhere about one or two provinces that had very serious difficulties which took place. In fact the Premier of Manitoba, Mr. Gary Filmon, at about that time identified Newfoundland and Saskatchewan in a public press conference as being two that were on the verge of doing that.

There are no special conditions to the situation which has been described in the newspapers, I think, with respect, quite accurately as outlined by the Minister of Finance. What happened was at the time of the '92-93 preparation of the budget, Ottawa, through a special stabilization fund of theirs, advanced to us \$30 million; and secondly, made changes to the equalization formula with respect to the calculation of forestry and potash — changes for which we've been fighting for now for the last four years prior to that time; the previous administration did too — benefiting all provinces. And a lot of provinces equally received similar stabilization benefits.

Unfortunately, if I may say so, we got that in '92-93 but in '95-96, your colleague the Liberal federal Minister of Finance clawed it back from the province of Saskatchewan and we had to return it.

The Speaker: — Order. Next question.

Mr. Gantefer: — Thank you, Mr. Speaker. Mr. Speaker, my question is going to be more specific about the terms of the agreement. You indicate that there was a special stabilization fund that was reached into in order to help Saskatchewan at that time, of some \$30 million. It seems strange that if we were \$15 billion in the glue, that \$30 million was going to be enough to suddenly put us in the good books with the international bankers.

Mr. Speaker, I would ask again for more details in terms of the agreement. Were there guarantees or undertakings by the federal government on our behalf in order to assure the creditors that we would indeed not default? And are the ongoing amounts of stabilization still being received? And are there any repayment terms in those agreements?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I have to say, and I mean this with the greatest of respect — I chalk it up to the inexperience of the member as the Liberal critic — he has got his facts almost completely wrong, and therefore it is very difficult to answer the question. I'm not saying this in an aggressive or partisan way.

I have here in front of me a press release by the federal minister of Finance at the time, Mr. Don Mazankowski. And the headline, I think tells it all, although the press release would give you much of the details: "Interim stabilization payments announced for Ontario, Prince Edward Island and Saskatchewan." And in the case of Ontario, \$300 million; in the case of P.E.I. (Prince Edward Island), \$4 million; in the case of Saskatchewan, \$30 million.

This is federal funding in a federal, special stabilization fund which they had. There is no agreement. The Minister of Finance of the province of Saskatchewan outlined our circumstances; and in making the submission to Mr. Mazankowski, under his legislation, he made this kind of a payment out with no terms and conditions.

What we did find, however, was when the change in government took place, however, one term and condition did come to the fore. Mr. Paul Martin said we've got to give that money back. And so in '95 and '96, fair enough, we were healthy enough to be able to do it. What we received to try to get us through this difficult circumstance, the Liberal government in Ottawa took back.

Some Hon. Members: Hear, hear!

Mr. Gantefer: — Mr. Speaker, I don't find it all that strange, I guess, that it's taken three years before this has been properly disclosed. And I note that the Minister of Finance, defending the decision not to go public about this bail-out, says, and I quote from the *Leader-Post* this weekend:

We simply could not go public and say this province might go bankrupt because everyone would pull their money out of the province.

Mr. Speaker, I concur with the understanding and with the sentiment expressed in the minister's comments, but what I want to know, is that after three years have gone by and it's 1997, and we're first hearing about this whole issue, are there any other deals that have been made that no one knows about at this time?

Hon. Mr. Romanow: — Mr. Speaker, the hon. member again absolutely is inaccurate in his description of a deal, or the use of the word, agreement. There is no deal; there is no agreement; there is no paper; there is no written agreement; there is no verbal agreement — the government's changed in any event.

This is a solely discretionary act by Ottawa and the federal minister of Finance, occasioned by the submissions made by us and presumably the other provinces into other areas. And that's all it is, pure and simple.

And the matter is out now because we are in a very solid position, as our budget has indicated. It's a testament to the people of Saskatchewan — that's why it's out — that we stood together regardless of ideology and political differences. It's a testament, in a sense, of the strength of Canada, that we're able to see Ottawa and the provincial governments come together to help stick this thing through to success.

And I can say to the people of Saskatchewan today, we're standing tall, our bonds are solid; the discrepancy and difference rates between those of the highest rated is the smallest it's been in generations, or at least for years; our economy is growing; we're giving tax relief; and we're spending more on education and on health. That's a great success story, Mr. Speaker.

Some Hon. Members: Hear, hear!

Provincial Auditor's Budget Comments

Mr. Gantefer: — Mr. Speaker, that's a long answer to a question that doesn't have an answer. The question was, are there any more of these kind of arrangements, deals, understandings, undertakings, whatever way that you want to describe it.

Mr. Speaker, it's not only our opposition that has expressed concern about the way we do the books in the province. Over the weekend, the Provincial Auditor was also expressing concerns about the very glib way that the government takes money out of the side of the Crowns, which represent 40 per cent of the activities of this government, on an arbitrary basis, and indeed using Liquor and Gaming as an example about a contingency fund and those sorts of things.

Mr. Speaker, I wonder if the minister would like to comment on the concerns raised by the auditor, and will she comply with his concerns?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Thank you, Mr. Speaker. Yes, I welcome the opportunity to comment on what the auditor said.

First of all, in terms of the auditor's comments about our books, when he audits the books of the province and says, what have I found, he's given us an absolutely clean audited opinion. He says the government's summary financial statements are first-class.

What he's advocating is a change in policy whereby we would move toward an Alberta model. All the money that comes in in a year that is unexpected has to go to debt. And that's fine for Alberta because Alberta is about debt reduction. That's their priority and that's their key priority.

There's two reasons why we wouldn't move this way in Saskatchewan. One is we believe in a balanced approach — 1994-95, all the extra money did go to debt, because we needed to get the government debt in good shape. But when it's in good shape, we also have commitments to reduce taxes and to enhance spending. So if the members opposite are like Alberta, all debt, please to tell the public.

The final point is, in a province like Saskatchewan with our kind of economy, it's essential that we have a stabilization fund. Ottawa has one; Manitoba has one; we have one, and we're not apologizing for it.

Some Hon. Members: Hear, hear!

Mr. Gantefer: — Mr. Speaker, I don't think that the Provincial Auditor is talking about necessarily going to an Alberta model but is suggesting that there should be a five-year plan that not only is made up of the General Revenue Fund but also includes the Crowns, the anticipated income and dividends of the Crowns, so that a complete picture is presented on budget day. Not just of the money going into the General Revenue Fund but also the anticipated and projected profits and dividends of the Crown Investments Corporation. That's what the Provincial Auditor is talking about, Madam Minister, and will you commit to that kind of a concept?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I've addressed that particular question before and said that when our Crowns are increasingly in a competitive environment we can't be expecting them to disclose things beforehand. After the fact, yes, they disclose everything. We can't be expecting them to disclose things beforehand that their competitors do not have to disclose.

But I want an answer from the members opposite. They say they support what the auditor said in the newspaper. If they did, then I suggest they need to propose an amendment to this budget. Because what they would be saying is in 1996-97 they want to spend 140 million more on debt. Fine; then they need to tell us which of the spending in '97-98 that they don't support. Is it the money for schools that they want out of here? Is it the money for universities that they want out of here? Is it the money for day care that they want out of here? They can't have it both ways. Either they're going to do what the auditor says and apply it all to debt and not spend some of it, or they're going to support what we've done — a balanced approach.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. My question is to the Minister of Finance. Madam Minister, the Provincial Auditor the other day continues to say your government is failing to give the true financial picture in the provincial budget. He says:

... budgets should reflect the actual amount of money coming in and going out and not some figure the government arrives at by moving money in and out (on) ... rainy day funds.

This year, Madam Minister, your government did it again by cutting the 1996 dividend from the Liquor and Gaming Commission and jacking the 1997 dividend up to nearly \$400 million.

Madam Minister, what is the exact criteria for moving money from these rainy day funds like Liquor and Gaming? Or is it simply a political decision designed to make the government look good when it needs the money to balance the budget?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I will spare the members opposite the comments made by the auditor about your practices in the '80s when the auditor just threw up his hands in despair and said, I can't tell you what they're doing. But what I will say to the members opposite is this. What we're doing is perfectly consistent with past practice in this province, in other provinces, the federal level. It is exactly what the Conservatives in Manitoba did a couple of days before our own budget — bridged money from one year to another. You may want to talk to your Conservative friends in Manitoba.

My point is this. Every government that is prudent, that is not going to get the taxpayers in trouble if something absolutely unexpected like massive drops in equalization occur, have a stabilization fund. And we have one. And we have it there because we want to protect Saskatchewan taxpayers no matter what occurs, whether it's a forest fire or a drop in equalization.

Some Hon. Members: Hear, hear!

Saskatchewan's 1993 Budget Crisis

Mr. Toth: — Thank you, Mr. Speaker. Again to the Madam Minister of Finance: Madam Minister, the auditor says taxpayers need a clear picture of the province's budget. And you've been telling us you're going to give us that clear picture. The auditor obviously doesn't believe that you have provided that clear picture as yet. He continues to tell us and tell the people of Saskatchewan that there's a fuzzy way of accounting for finances in the province of Saskatchewan.

And over the weekend we just heard that in 1993 this province was on the verge of bankruptcy. In fact your Premier was saying that.

Madam Minister, it seems interesting that the province was on the verge of bankruptcy over a \$45 million payment from Ottawa that could bring us out of bankruptcy when, Madam

Minister, in 1993 you had \$130 million saved up in the Liquor and Gaming Commission you could have used rather than going to the federal government.

Madam Minister, you had Cameco shares; you had PCS (Potash Corporation of Saskatchewan Inc.) shares. Madam Minister, why did you create this financial crisis over \$45 million when there were other options available to you?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I'm appalled at the member's question. These people are trying to get away from, one would hope for their own sakes, they're trying to get away from their record in the 1980s. Yet it's right back to the future.

Do you mean to say if you have a fiscal stabilization fund sitting there which is your last kitty — the last bit of money you have in case the furnace in the house breaks — why wouldn't you just take it out and spend it? That's the kind of thinking, Mr. Speaker, that got us into this sort of trouble. This is absolutely incredible.

And as far as the auditor goes, where the auditor comments in terms of his legal capacity as the auditor of the province is when he has to put the stamp of approval or the not stamp of approval on the summary financial statements of the government. He has consistently said, I do not have any reservations at all, and these are the best summary financial statements that exist in Canada.

Some Hon. Members: Hear, hear!

Mandatory Union Membership

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my questions this afternoon are for the Minister of Labour.

Mr. Minister, a group called the Work Research Foundation today released a survey on Canadians' attitudes towards trade unions. Over 1,500 Canadians were questioned by the Angus Reid group. And a survey found that nearly 90 per cent of Canadians oppose mandatory union membership. In Saskatchewan, thousands of people are forced to join unions against their will. The Dorsey report takes this step one further, forcing people to switch unions against their will.

Mr. Minister, will you change The Trade Union Act to make union membership voluntary?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — One should recognize, Mr. Speaker, what right-to-work legislation is in the southern American jurisdictions. It really is an instrument of oppression for working people.

And we should recognize, Mr. Speaker, what trade unions are. They are voluntary organizations of working people who come together to promote their own interests. That is all they are. They are not some sort of an evil apparition. They are voluntary organizations of working people who seek to promote their own

interest. The answer to your question is a ringing no.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, of course the NDP will never change this because much of their party funding comes from trade unions; so the more people that are forced to join unions, the better off the NDP are. And of course this is neither fair, this is neither fair nor democratic — people being forced to join unions and support the NDP against their will.

Mr. Minister, 82 per cent of Canadians say union dues should not automatically go to political parties, but the NDP isn't going to let that stand in the way of their political agenda. Mr. Minister, prior to question period, our labour critic gave notice of a private members' Bill that will make union membership voluntary here in Saskatchewan. Will you support that legislation?

Hon. Mr. Shillington: — I think the hon. member must know the answer to that. The hon. member might also . . . the hon. members opposite might have some interest in the facts upon which they base their . . .

The Speaker: — Order, order, order. Now the Chair is having a great deal of difficulty being able to hear the answer being put, and I'll ask all hon. members to cooperate to allow the hon. minister to provide the answer.

Hon. Mr. Shillington: — I know members opposite skirt things like facts and fiscal integrity and things like that, but this government does not. And I say to you, the answer is no. I just want to tell members opposite there is no such thing as a compulsory check-off. Check-offs which go our party are done voluntarily by the members of the union, and they agree to it.

So there's no such thing as an involuntary check-off. It is a voluntary check-off. Check-offs in this province are agreed to by the membership. That's how we work. It's a democracy.

Some Hon. Members: Hear, hear!

Swift Current Area Flooding

Mr. Goohsen: — Thank you, Mr. Speaker. Mr. Speaker, my question today is to the minister responsible for Sask Water. Mr. Minister, we have heard from many people in the Swift Current area regarding how water at the Duncairn dam has been managed. They feel that if the dam had been opened earlier to let the water out gradually the crisis over the weekend could have been avoided.

As it was, only the valiant efforts of hundreds of Swift Current residents saved an entire neighbourhood, and other neighbourhoods as well, I guess, from being flooded. Mr. Minister, will you conduct a review of how the water release at the Duncairn dam was managed so that this crisis will not repeat in future years?

Hon. Mrs. Teichrob: — Mr. Speaker, I want to thank the member opposite for that question. And we may in the days

ahead, if we have unusually warm weather, face some experiences of flooding. At the Duncairn dam and reservoir in particular, Sask Water puts out regular stream flow forecasts and run-off predictions, and they have communicated to the municipalities and emergency service providers in the area some weeks ago that the Duncairn reservoir was very close to being full, and that if there was a large run-off coming in from the west, that we would have to have a controlled release out of the reservoir.

So communities were expecting it. And as you've said and as the member from Swift Current said in his members' statement, as is tradition in Saskatchewan, that emergency service providers and hardworking community volunteers have averted a great deal of the damage that could happen. And planning is going ahead to have the same things happen as events unfold and the weather warms up and the spring thaw continues.

Some Hon. Members: Hear, hear!

Health Reform

Mr. McLane: — Thank you, Mr. Speaker. After the provincial budget was delivered last week, the Minister of Health indicated that he wanted two messages to emerge.

The minister stated that nurses and health care employees should no longer worry about losing jobs, and communities should not worry about losing hospital beds and nursing home beds. We've achieved the number of beds we should have, he said.

Mr. Speaker, this is small consolation to those communities which have felt the wrath of this government's hack and slash approach to health care reform.

All that aside, will the minister, or in his absence the Premier, back up his statements by making a commitment in this House that not one more care-giver will lose their job, not one more acute or long-term care bed will close under this government?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, apart from the very many differences which distinguish this side as against the Liberal side on health care, this is another one.

That side favours two-tier, privatized medicine — we oppose it. That side favours user fees — we oppose it. That side favours premiums, and we oppose it. That side says that medicine and health care has not gone through any changes in technology or delivery and therefore should be frozen in time — we don't.

We say that phase 2 of medicare and hospitalization involves the transformation of the system to a preventive and wellness model which compliments the acute care operation. And what the Minister of Health is indicating is that we have made great strides, and through this budget much of the task is nearing completion. To answer the question in the way the hon. member would want me to answer it, he knows is patently impossible and undesirable. And if he faced up to the truth of where the Liberals really stand on health care, namely privatizing it and

opposing it, then we'll all be better off.

Some Hon. Members: Hear, hear!

Mr. McLane: — Thank you, Mr. Speaker. I'm sure to the people of this province that phase 2 of health care reform under the two-tier system of this government is pretty frightening out there.

Mr. Speaker, the reason I look for the Minister of Health's commitment, or in this case the Premier's, on this matter is because of the fact that many health districts continue to battle deficits. And the money that's been pumped into the health system in this province over this last budget is only a short-term solution, because the wellness model is a fiasco.

Given the fact that the funds follow patients under the present health care formula, and rural patients are travelling in increasing numbers to Regina and Saskatoon for medical attention, there is a growing financial strain on rural health districts in particular. Will the Minister of Health or the Premier indicate how he plans on addressing this concern in light of his commitments that the elimination of care-givers has ended and that there will be no further acute, long-term bed closures?

Hon. Mr. Romanow: — Mr. Speaker, there they go again, the Liberals and this supposition. The member refuses to accept the straight, bald fact that this government has back-filled 100 per cent of everything that your party in Ottawa took away from health care — that you and the Liberal Party, every penny — plus added on top of it, 57 million more dollars in this year's budget, on top of all of that.

And the member, in the face of that budget announcement, has the audacity to get up today and say, what is your government's commitment to health care? There is no other provincial government anywhere in Canada that has back-filled health care 100 per cent and added this proportionate amount of \$57 million more for both acute care and for prevention and wellness treatment care in health. No other government. That's our record.

But I tell you what I challenge you to do. You please tell the federal Liberals to stop attacking the front-line acute care workers. You tell the federal Liberals to stop their attack on health care by stopping the reductions to the provinces in health care funding.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 40 — An Act to amend The Residential Services Amendment Act, 1997

Hon. Mr. Calvert: — Mr. Speaker, I move that Bill No. 40, The Residential Services Amendment Act, 1997 be now introduced and read the first time.

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

Bill No. 41 — An Act to amend The Crown Corporations Amendment Act, 1997

Hon. Mr. Shillington: — Thank you very much, Mr. Speaker. I move first reading of Bill No. 41, The Crown Corporations Amendment Act, 1997.

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

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 proposed amendment thereto moved by Mr. Gantefoer.

Mr. Thomson: — Thank you, Mr. Speaker. Thank you, members at the other end of the caucus.

Mr. Speaker, on Friday, although time didn't permit me to fully outline my views on this budget, I was pleased to have the opportunity to start talking about some of the tough decisions that you and our other colleagues made during the difficult years immediately after election in 1991.

The Speaker: — Order, order, order, order. I'll want to remind the hon. member that he's not to draw the Speaker into debate and I'm sure that he will not want to do that and address his comments accordingly.

Mr. Thomson: — Thank you, Mr. Speaker.

Today, I want to pick up on that point and talk about the tremendous turnaround Saskatchewan has seen during the past five years. Over the weekend, I think we all came to learn just how close to disaster this province was when we inherited the legacy of Grant Devine's PC (Progressive Conservative) government. And I want to talk about that for just a second.

I was amazed today in question period to see the member for Moosomin stand up in amazement and shock that the province was in bad shape in 1991. I was absolutely stunned to hear him talk about the way that this government is making use of its rainy day fund, of its stabilization fund.

Mr. Speaker, as members of this Assembly know, we used to have a stabilization fund — it was called the Heritage Fund — and it was squandered and misused by the previous PC administration when that member for Moosomin was part of that government. Mr. Speaker, I think it's amazing for that member for Moosomin to stand up in this Assembly and say, well we didn't know it was that bad, but what do you mean it was that bad? What do you mean we were virtually bankrupt?

The member for Melfort knows because the previous member for Melfort, Mr. Hodgins, resigned over that very point. Now whether it was simply that this member for Moosomin didn't have the knowledge, the courage, or the integrity to resign, I don't know, but he should have known that we were in bad shape in 1991 when we took over.

Some Hon. Members: Hear, hear!

Mr. Thomson: — Mr. Speaker, while the member for Moosomin should have known better — and I think did know better but is simply playing games today in this Assembly — I want to speak for a minute about the feigned shock that the Liberals have on this issue.

Over the weekend I was watching the news last night on television and there is the Liberal leader — in this case the real Liberal leader, Mr. Melenchuk — standing up and saying, well he'd like to know about this situation and what exactly the federal government did. And he says that he found it interesting that here the Saskatchewan government is criticising Ottawa today for its cuts to health and education transfers, when in fact the federal government had given some minor assistance over this previous period in 1991.

I have to tell you I'm not even sure where to start to attack that sense of logic from the members opposite. I'm not sure whether Dr. Melenchuk didn't realize that the Liberals weren't in power in 1992 when this situation was dealt with, or whether in fact he simply doesn't understand the difference between equalization and what at the time was EPF (established programs financing) and has now become CHST (Canadian Health and Social Transfer).

Mr. Speaker, I am amazed that this is the man who would want to be the premier of Saskatchewan, who the Liberals are putting forward as their person who should be the premier of Saskatchewan. And yet he himself cannot understand the differences between equalization and the way that the federal Liberals have treated this province now under the CHST.

Mr. Speaker, it has been an interesting, interesting day. I want to . . . I could spend probably the rest of my allotted time beating up on our friends opposite, but it's unfortunately wearing thin on me. What I want to do is I want to talk a little bit today about some of the positive things that we're doing, because I think that that in itself will contrast nicely with both what the Liberals would do should they ever, God forbid, govern this province again.

Mr. Speaker, we know what the Conservatives did when they were in office. They squandered the resources of this province, and more, I think, sinisterly, they pitted our communities against each other. Mr. Speaker, as you will know, those days in 1991 were difficult ones. However, through all the decisions, the tough decisions that needed to be made, there remained a hope that we would be able to turn things around. The first throne speech of the new government announced that we would embark on a new beginning. It stated that we would restore honesty, integrity, and competence to government.

Now the members in the Conservative Party may want to listen

to this because it's something they have yet to learn. Honesty, integrity, and competence in government — and that's what we have attempted to deliver. We've promised as well that in our first budget that we would restore common sense to our collective finances. Mr. Speaker, this was no easy task. With government spending exceeding revenues by almost 20 per cent, with a debt load reaching 14 billion or 70 per cent of our GDP (gross domestic product), with a growing uncertainty in the financial markets about the affordability and sustainability of Saskatchewan's debt, we were faced with a simple choice. We could either make the tough economic choices and risk losing the government, or we could make the easy political choices and risk losing our future.

Again today, I want to congratulate those members of this Assembly who made the difficult but correct choice to stand firm against the growing expectations and growling opposition in order to protect Saskatchewan's autonomy, integrity, and future.

Some Hon. Members: Hear, hear!

Mr. Thomson: — The fact that this new budget is able to make such a substantial investment in people is proof positive that this caucus made the right choices during those difficult times.

Mr. Speaker, this budget contains many positive elements. I know other colleagues will speak on many of them, and as such, today I want to limit my comments to three areas — namely, our economy, our education system, and our options.

Mr. Speaker, today I am pleased to see that our economy is strong and growing. Thousands of sustainable new jobs have been created. Our retail economy has grown significantly. Our agricultural economy is more market driven and responsive than it was five years ago, and our manufacturing sector has retooled and taken off in terms of growth. The outlook for our province is good. And as a result of this budget, we'll continue to see significant growth.

Mr. Speaker, there are many positive initiatives in this budget for consumers, for manufacturers, and small businesses. Clearly, the cornerstone of this budget is the 2 per cent reduction in the E&H (education and health) tax, reducing it from 9 per cent to 7 per cent. And, Mr. Speaker, I'm extremely proud of this initiative and pleased to stand today and support it.

Apart from the fact that we have reduced the sales tax, however, I am equally proud that we have done so without harmonizing it with the GST (goods and services tax) as the Liberals in other parts of this country have colluded to do.

Mr. Speaker, as you know, this 2 per cent reduction amounts to more than \$180 million in increased discretionary income for Saskatchewan consumers and businesses. And it builds on our commitment to re-establish tax fairness and affordability in Saskatchewan.

To listen to the Tories, you'd think it was their idea. Well let me remind the people of Saskatchewan what the Tories' position is on taxation. Let's remind people of what the Tories' position on

taxation was. Both opposition parties, Mr. Speaker, support a harmonized, hidden sales tax on Saskatchewan people — harmonized and hidden. That's the position of the Conservative Party. That's the position of the Liberal Party.

Let me assure you that this sales tax proposal of the PCs (Progressive Conservative) and Liberals won't decrease taxes for Saskatchewan people, it won't help build our economy, and it won't re-establish tax fairness. Instead, Mr. Speaker, it simply helps hide the tax and shift the burden onto families and consumers.

As you know, Mr. Speaker, it is this New Democratic government that repealed the harmonization of the sales tax as its very first act in office on November 1, 1991. In doing so, we reduced taxes for ordinary families by taking the tax off of children's clothing, drugs, reading materials, snack foods, and restaurant meals.

Mr. Speaker, these were taxes that the Conservatives put in place on goods that had previously not been taxed. Further to this, we ended the double taxation of products that were resold after use, and we also prevented the tax from being applied to basic services like haircuts and utility bills.

Mr. Speaker, the Conservatives I notice are silent now, which is good. Perhaps they're taking note. Perhaps they're taking a note of how the sales tax can be fairly applied, rather than the regime that they had previously put in place.

(1430)

Mr. Speaker, I want to tell you why we did this, why we repealed the harmonization and why today we continue to refuse to harmonize sales tax in this province. We did this on the basis of a philosophy. A philosophy that said ordinary families should not pay taxes on basic goods. That's our philosophy. That's not the Liberal philosophy. We know that's certainly not the Conservative philosophy.

I think, to be quite . . . simplify things, we could simply refer to it as the right-wing over there whether it . . . I forget which member it is that always uses that, my favourite story about the one chicken with the two legs. And, Mr. Speaker, I think it is an apt story. Because this is exactly . . . taxation is an excellent example of how this is the case.

Mr. Speaker, our philosophy is based on the idea that we want a simpler, fairer, more responsible tax system. Mr. Speaker, we also did this harmonization change . . .

The Speaker: — Order, order, order, order. Now the Chair's having some difficulty being able to hear the remarks made by the hon. member for Regina South. Order. Order. And all hon. members will have plenty of opportunity to put their remarks on the record, which is the most appropriate place to put them. As good luck will have it, there is much time available for the debate on the budget and I'll ask all members to allow the hon. member for Regina South to be heard.

Mr. Thomson: — Thank you. Thank you, Mr. Speaker. I find it passing strange that the moment I take to my feet to talk about

the sales tax situation that the Liberals now want to jump into the debate, because it took them a whole year. And last session we heard nothing from them on sales tax harmonization. Not a word about what it was going to do to consumers, not a word about what it was going to do to businesses, not a word about what it was going to do to our economy.

But today, today they seem to have something to say. So I won't take a lot of time because I'm very anxious to hear the Liberals stand up and explain to us where they are on this sales tax issue. Do they support the 2 per cent reduction or don't they? Do they support the de-harmonization or don't they?

This is in addition to the other important initiatives in this budget that put more money into important areas like health care and education, which I'll also be interested to find out where the Liberals stand on this.

But, Mr. Speaker, apart from the philosophical reasons for us changing the tax harmonization structure, I was going to tell you there was a practical reason for it. And that reason was that it was crippling the economy. It reduced the ability for Saskatchewan people to afford basic items, and as a result, the economy was not growing, the retail sector was slumping, food and beverage sector was — to be quite honest — in a free fall, and as a result, jobs were being lost rather than created. That, I think, in more ways than one simply sums up the record of the Conservative administration.

Mr. Speaker, I am proud that today we are continuing a plan for tax fairness — a plan that not only sees a 2 per cent reduction in sales tax but continues to provide more than \$570 million in tax relief to Saskatchewan families and businesses by maintaining a limited, non-harmonized tax base.

Mr. Speaker, I want to repeat that one more time so some of the members opposite can write that down for when they stand up to talk. This budget provides \$570 million in tax relief to Saskatchewan families by maintaining a limited, non-harmonized tax base. So the members will want to know that if you harmonize, that tax gets transferred onto families. Just so there's no misunderstanding here; so the members opposite actually understand what the impact of their policy is going to be.

Mr. Speaker, as a result of these changes in this budget, I am very pleased to say Saskatchewan consumers today pay less in sales tax than they did when we took office in 1991. Mr. Speaker, that's our commitment to Saskatchewan families. And I think it's in stark contrast to that of the Liberal Party and the PC Party.

Mr. Speaker, in addition to this sales tax initiative, this budget also provides a series of other items to help Saskatchewan's economy grow and prosper. In total it provides almost 105 million in direct tax relief for Saskatchewan small businesses, resource producers, and manufacturers, both through targeted tax reductions and rebates. It provides an additional \$127 million in tax relief for our agricultural sector. And it introduces new measures to encourage increased production in growth areas such as hogs.

Mr. Speaker, the bottom line is that this tax system today is fairer and more responsive to Saskatchewan's economic needs than it was when we took office in 1991. As a result, we've seen a substantial and positive economic growth. We've also seen that economic growth comes with increased jobs.

Mr. Speaker, much has been said about job creation in the past several months, and rather than get into a numbers games with the opposition about how many jobs have been created or what constitutes an FTE (full-time equivalent) or whether it's seasonally adjusted or actual and how much better than average the numbers are, instead I want to talk about how we're helping people find jobs that fit into the new Saskatchewan economy.

We have seen an unprecedented abandonment of young people and the unemployed by the federal Liberal government in Ottawa. Mr. Speaker, that Liberal government has attacked Saskatchewan people by increasing UI (unemployment insurance) costs while decreasing benefits. It has stripped back protection that otherwise helped people employed in many of Saskatchewan's seasonal industries. It all but completely abandoned any national role in a labour force development.

Mr. Speaker, this is not a record for the Liberals, be it in Ottawa or here, to be proud of. This is a very serious and, I think, shameful public policy that has been embarked on.

Mr. Speaker, I could tell you that the federal government has cut 70 per cent of its support for apprenticeship programs in this province; I could tell you they've stripped our universities and technical colleges of almost \$50 million in funding; I could tell you that they've offloaded the basic responsibility for adult basic education out of the province. But in the end — and I hope the member opposite hears this — in the end what we need to understand is that regardless of whether it is federal politics or provincial politics, they're still Saskatchewan people. And I hope that the members, just for a minute, think about the impact that their party is having on these Saskatchewan people.

Mr. Speaker, when I was addressing the reply to the throne speech, I noted that 4,000 Saskatchewan people have been denied access to adult basic upgrading as a result of the decisions of the federal government. I noted that 1,200 Saskatchewan people would be denied access to apprenticeship programs that would help them move from the classroom into the workforce.

I also want to, at this point, note that as a result of the federal government's funding decisions, 30,000 Saskatchewan people, in this case mostly young people in our universities, will see their share of the education bill increase because of the federal cut-backs to the universities.

That, Mr. Speaker, is the Liberal record — that's the Liberal record. It's not simply the federal record, because from what I've heard from the members opposite, they support that very same position. The Liberals here in Saskatchewan are not standing up for people in Saskatchewan, they are not standing up for young people, they are not standing up for anybody other than their Liberal friends in Ottawa.

Now, Mr. Speaker, we have invited them time and again to

stand up for Saskatchewan people and we've invited them time and again to join in our debates, to join with us to take this message to Ottawa — they've refused. Not only have they refused to join us, they've refused to even stand up and be critical of what the opposition member . . . what the Liberal government's done in Ottawa. And I think that's shameful.

Mr. Speaker, we've seen the impact of the Liberal Party's philosophy on Saskatchewan people. Fortunately, fortunately we refuse to simply stand by and allow the Liberal Party of Canada and its legislative lap-dog on the benches opposite to simply dismantle the education and training system of this province and country.

Mr. Speaker, I am pleased that we've again taken a different approach than the Liberal Party and we have found the money necessary to back-fill 100 per cent of the cuts the federal Liberals have made to education and training in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Thomson: — Mr. Speaker, this will help allow those 4,000 people to attain adult basic education. This will help 1,200 more Saskatchewan people get into apprenticeship programs. This will allow the universities to reconsider their tuition rate increases that they were considering because of the federal cut-backs. And, Mr. Speaker, this is all on top of the other good programs we already have in place like JobStart and Future Skills.

Mr. Speaker, all governments make choices and all governments reflect their choices and the priorities on the balance sheets of their budgets. Increasingly in Saskatchewan that choice is clear. All we need to do is look at how our government makes decisions compared to what the Liberal government makes in Ottawa. And let me just run through the list in case the members opposite have forgotten.

Our budget sees the debt being paid off. Mr. Speaker, in fact we will see that debt drop to 48.8 per cent of our GDP. Well what's happening in Ottawa? Despite four years of Liberal government committed to supposedly balancing the budget, we have yet to see a balanced budget from the federal government. Not one.

And we have seen, even more shamefully, the federal Liberals take the national debt to record highs — record highs. More than \$600 billion is now owed because of the mismanagement of this country by the federal Liberals, and to a large extent the federal Conservatives.

But I want to talk in particular about the federal Liberals because they did not do anything like what this government has done to turn around the books that they are responsible for.

Mr. Speaker, if we move from debt to taxes and take a look at the records of these two different parties and these different philosophies, you'll see much the same story. We are providing \$570 million in tax relief to Saskatchewan's consumers and additionally are reducing the sales tax from 9 per cent to 7 per cent.

And yet the Liberal members opposite, in collusion with the

federal Liberals, are continuing a tax they promised to abolish . . . (inaudible interjection) . . . Well now of course they don't want to talk about, they don't want to talk about promising to abolish the GST and they'd just as soon we all forget about it. That's why they'd like us to agree to hide it. Well we're not going to.

Mr. Speaker, we take great pride in the fact that this government does not tax children's clothing. We do not tax electricity. We do not tax natural gas. We do not tax reading materials. We do not tax restaurant meals. We don't tax snack foods. We don't tax used goods. And we certainly don't tax services.

Mr. Speaker, we have the narrowest tax base in Canada and we are proud of that. What the federal government should do is take those pages out of our budget, slide them into their own, and do the same thing. If they're interested in harmonizing, I would say this: harmonize on our base, not on the federal base. Take the tax off of children's clothing. Take the tax off of foods. Take the tax off of used goods. And take the tax off of services.

That's what the Liberals should be doing in Ottawa. That's what I want to hear the Liberals doing here in Saskatchewan. Join us on that.

Some Hon. Members: Hear, hear!

Mr. Thomson: — Mr. Speaker, I also think it's worth reminding people of the differences we have in terms of our social policy. Now we've heard . . . I mean in the U.S. (United States) they often talk about tax-and-spend liberals. Unfortunately here in Canada we have tax-and-cut Liberals, which is even worse. Not only do taxes go up, but services decline. Let's not forget that while we have increased funding to health care, to education and social programs, in Ottawa . . . and the Liberal members opposite support this; they continue to support the fact that a quarter of a billion dollars will be cut from social programs in Saskatchewan alone because of the federal government.

Now the argument last session, as you'll remember, from my friend the local Member of Parliament, Goodale, and the Liberals opposite, is they said, so what? That's not a big amount of money. What do they say? One point something per cent, I think is the number they kept tossing around. A quarter of a billion dollars is an awful lot of heartache for people if you are wanting to enter into post-secondary education, if you're wanting to make sure your kids have a future, if you're wanting to make sure that the basic social programs are protected.

So we gave them another chance. The Government of Saskatchewan pioneered — and in particular the Premier — pioneered the idea of a child benefit. This was supposed to specifically help reduce the amount of child poverty in our province, and indeed across our country.

Mr. Speaker, I was amazed to find out when we were listening to the federal budget, after the much ballyhooed agreement or the leaking that they said that they would be able to do this, to in fact find out that they're not going to do this until July of

1998.

(1445)

So while the Liberals are sitting here now, albeit quietly in this House, but nevertheless standing up in question period and attacking us for what we're doing on health and education, I listen to the member for — I forget her seat now — who often stands up and talks about social issues and talks about child poverty . . .

An Hon. Member: — Humboldt.

Mr. Thomson: — The member for Humboldt. Oh yes, thank you, the member for Humboldt. I'm amazed to hear her stand up and say we're not doing enough for child poverty when in fact all that she says about Ottawa, from Ottawa's response, is that these poor children can wait.

Well, Mr. Speaker, I'm particularly pleased that we here in this caucus and on this side of the House don't believe that they can wait. And we will put our money where our mouth is and we'll put the money there to ensure that child benefit is there now, today.

Some Hon. Members: Hear, hear!

Mr. Thomson: — Mr. Speaker, as I say, this budget is about choices and it's about priorities. I'd say to you that this budget provides an opportunity for Saskatchewan people to look at the options in different visions of our economy, our country, and our future. This budget, like the five that have preceded it, show Saskatchewan people, and indeed Canadians as a whole, that there is a better way to govern.

Mr. Speaker, in conclusion, let me say when our New Democratic government was first elected in 1991, we promised to provide a new beginning for Saskatchewan. We promised to restore honesty, integrity, and competence to government, and we promised to ensure government lived within its means. We kept that promise. And today, five years after that first budget, five years after the first budget of our first term in 1992, we're prepared to begin again.

And I would say to you, Mr. Speaker, that in beginning again, we will once again prove to Canada and the world that our future is in fact in our own hands and is in good hands. Thank you.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Thank you, Mr. Speaker. Mr. Speaker, it's a pleasure for me to rise today and discuss the budget.

Saskatchewan families haven't received good news from the budgets delivered by this government over the past six years. Over these last years, instead of good news they heard of increases in the PST (provincial sales tax) from 7 to 8 per cent and then from 8 to 9 per cent. They heard their fuel taxes were going up a total of 5 cents per litre, so now we are paying 15 cents on every litre of fuel to the provincial government — one of the highest in the entire country. Mr. Speaker, they heard of a

10 per cent deficit surtax that was invented by the members opposite. And since we don't have a deficit any more, it should be completely removed.

In short, Mr. Speaker, Saskatchewan people haven't heard a lot of good news from the NDP, period. Municipalities haven't heard good news, school boards haven't heard good news, health providers haven't heard good news, business owners haven't heard good news. In fact, Mr. Speaker, I really can't think of anyone that did hear good news over the years from this government.

Saskatchewan families and businesses have each . . . have had each and every fee and utility rate increased by the NDP, a party that promised in 1991, no new taxes. According to the *Leader-Post*, Mr. Minister:

For a Saskatchewan family of four making \$50,000 a year, we're on top of the provincial tax parade — paying more to our government in income taxes than anyone else in the country.

An editorial from the *Leader-Post*, April 4, '96. We're paying more than anyone else in this country, Mr. Speaker. More importantly, Mr. Speaker, is that at the bottom of the income tax hierarchy is Alberta where provincial income taxes for that same family will be about a thousand dollars less than in Saskatchewan — again from the *Leader-Post*, April '96 — a thousand dollars less in income taxes.

Now that doesn't include the extra 6 cents per litre that Saskatchewan residents pay in provincial fuel taxes and it doesn't include the PST either, Mr. Speaker. Albertans have a thousand dollars more in their pockets before all of the rest of the NDP's taxes, fees, utility rates are taken into consideration. So, Mr. Speaker, when the NDP finally came through in 1997 with a glimpse of tax relief it is welcomed very much by everyone. Of course, Mr. Speaker, I'm referring to the 2 point reduction in the PST. Again, I want to thank the members opposite for fulfilling one of our campaign promises.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Last Thursday, Mr. Speaker, the NDP finally bowed to the pressure from the PC caucus, from the Saskatchewan taxpayers, from the businesses all across this province. They finally listened to the thousands of individuals who signed our PST petition.

Obviously the NDP's own polling was showing that the PC campaign platform was pretty much on the money and that we were providing Saskatchewan people with what they were really asking for. And as I've always said, a credible opposition does a lot more than just simply oppose.

The PC caucus has held this government accountable for many of the decisions that they have made that simply don't make sense or that hurt Saskatchewan families. We also congratulated the NDP on the odd occasion when they did something right. Cutting the PST was a step in the right direction and it's one of these times that I would want to congratulate the government.

Before the members start to think that all aspects, however, of this budget are positive ones, let's not get ahead of ourselves. Saskatchewan people are still grossly overtaxed and the members opposite are raking in more than \$1 billion more, year over year, in taxes than they did when they took office in 1991.

Considering that our province's budget is somewhere in the area of \$5 billion, a 20 per cent increase in tax revenue is a substantial and hefty increase. So when the NDP are busy over there patting themselves on the backs, Mr. Speaker, Saskatchewan taxpayers remember all of the taxes and fees that the NDP have increased over the past five years. They will remember that, Mr. Speaker.

So there's really no trick to how the NDP have balanced the budget. They simply raised taxes by a billion dollars year over year and they really got lucky in the oil patch. And now they're hoping Saskatchewan people will thank them by giving them back some of their own money.

And further, Mr. Speaker, you'll have to wonder about this government's long-term plan. Look at the manner in which our budget has been balanced. Look at the way the budget has been balanced in the last few years — by raising taxes. This year hundreds of millions of dollars have been taken from Liquor and Gaming to help balance the budget. Last year's budget was helped by the sale of Cameco shares, the sale of LCL (Leicester Communications Limited) cable and others — much of these ad hoc approaches, Mr. Speaker, one-time injections that won't do much in the long term.

What about long-term tax relief for families and businesses so some real job creation can take place in this province? How about the goal to eliminate the PST altogether? It's not that hard, Mr. Speaker, when there's a determined government. Just think of what that measure could do for our economy.

Since the NDP took office here in 1991, there have been about 3,000 new jobs created in Saskatchewan. And you can use whatever figures you want. Say it's even double that, at 6,000, Mr. Speaker. During the same period of time, 123,000 jobs have been created in Alberta and Mr. Klein is predicting an additional 155,000 jobs created in his next term of office. So the score is about 278,000 for Alberta; 3 to 6,000 for Saskatchewan. If this government would stop thinking the only way to deal with government finances and deficits is to raise taxes, we could be in Saskatchewan experiencing the same kind of job growth that they are in Alberta.

Mr. Speaker, this government needs to get serious about what's best for Saskatchewan people and businesses and forget what's best for the NDP here in Saskatchewan. We need to get rid of things like the Crown Construction Tendering Agreement; that all it is, is a pay-back to unions here in Saskatchewan.

I know the NDP have a hard time with this one, with those members on the opposite side who believe job creation is their number one priority and the NDP on the other side want to make union members happy so their donations will keep flowing into the NDP. So I understand when the NDP caucus is divided on this one.

But if you want what's best for Saskatchewan taxpayers, for Saskatchewan people, eliminating this discriminatory policy is a start, Mr. Speaker. We need to amend our labour legislation so business owners can actually run their own businesses instead of having the NDP run them for them. Business owners deserve a pat on the back for creating a few thousand jobs under this government that has done everything within its power to hamper and to hinder government creation . . . job creation.

Mr. Speaker, we need true commitment from the members opposite to creating a positive economic climate. Then maybe our brightest and our best would stop leaving our province for Alberta and we'd start living up to some of the potential that we have here in this province. More efficient government, lower taxes, a booming economy — it's all possible right here in Saskatchewan if the government takes the right steps.

I had the pleasure of hearing North Dakota Governor Ed Schafer speak this weekend, Mr. Speaker, on a number of issues. Governor Schafer was just re-elected with one of the largest majorities in the history of North Dakota last November. And there's good news and there's good reason for him being re-elected — he got rid of a \$240 million deficit in workers' compensation and improved services. This year they're expecting a surplus in the neighbourhood of \$35 million.

His government cut government spending and government waste and lowered taxes. He's lowered the unemployment rate to about 2 per cent. In some areas of the state, the unemployment rate is even lower at 1 per cent. Imagine, Mr. Speaker, an unemployment rate of 1 per cent in a positive business climate where small businesses are free to create thousands and thousands of jobs.

Mr. Speaker, he also spoke of a 2.5 per cent income tax rate. It seems almost unimaginable here in Saskatchewan. You see, Mr. Schafer wasn't involved in politics until shortly before running for governor last term. He was a businessman, not a politician, and he knew that he had a state . . . he had to run a state just like a business in order to provide the necessary services for people. And he did exactly that, Mr. Speaker.

He was also 40 points behind the incumbent governor his first time around, Mr. Speaker, and ended up winning the election because he promised the people he'd run government like he ran his businesses.

What about in Alberta and Ralph Klein, Mr. Speaker? The members opposite often like to take pot-shots at Ralph Klein, making it sound like things are terrible in Alberta.

Well the NDP may think things aren't so good in Alberta, but apparently the Albertans think it's not that bad. I'm sure his gain . . . his gaining several seats in the recent election has a lot more to do with his commitment to low taxes and less intrusive government; his philosophy that governments should create a positive business climate and that they should get out of the way. And I would certainly agree with that, Mr. Speaker.

Mr. Speaker, the bottom line is that it takes dedication, it takes commitment to bring about changes for all of the right reasons.

As I've said, there are some things about this budget that are positive.

Certainly a cut in the PST is good news. A little more money towards highways is good news. But we've still got a long way to go with highway budgets, somewhere that . . . in terms of regaining where we were before, Mr. Speaker. The highways in this province are still in dreadful condition and I don't think that this amount of money that's being dedicated towards highways is going to address the concerns.

Schools and municipalities aren't jumping up and down about their funding either, Mr. Speaker. And things are tough for the property taxpayer in this province. This government had some choices, Mr. Speaker, and I certainly hope that they will rule on the side of what is right not what is politically good for them.

They could continue to ignore the promise to provide municipalities with 10 per cent of the VLT revenue or they could honour that promise and help municipalities and property taxpayers in a big way. Or they could continue to pretend the CCTA (Crown Construction Tendering Agreement) is a good agreement or they could do the right thing and scrap it, saving taxpayers millions of dollars every year.

They could continue to ignore our province's welfare numbers or they could take tangible, meaningful steps to address this problem. Other provinces have undertaken reforms that are paying off for everyone in a big way — those who were formerly on welfare, and taxpayers in general. Nothing cures poverty better than many, many well-paying jobs, Mr. Speaker.

(1500)

This budget, these decisions, are all about choices, Mr. Speaker, and whether the members opposite are willing to make the right choices over the long run. This is a good news and a bad news budget. There's much more that needs to be done; much more that must be done in order to create the kind of province . . . a province where we all hope to be someday — a province where government is smaller and efficient; where welfare numbers are almost non-existent; where quality education is provided for every family; where families can afford to live and remain here; where business can expand and create jobs. That's what I think we all should be working towards here in this legislature.

Mr. Speaker, as I've said, there are many aspects of this budget that I believe do not go far enough in addressing the concerns here. However the NDP have taken a step in the right direction, Mr. Speaker.

Mr. Speaker, a week ago or so, I said that if the NDP reduced the PST by 2 points, I would support this budget. Mr. Speaker, we've introduced in the last few days legislation, a private members' piece of legislation into this legislature, calling on free votes.

We believe in free votes, Mr. Speaker. We are the party that believes that we as MLAs (Member of the Legislative Assembly) should be voting the wishes of our constituents — not just simply accepting the party line, but voting truly what we think is appropriate and best for the constituents that we

represent. We will be doing that in this upcoming budget, Mr. Speaker. We will be, as of the PC caucus, voting freely to represent the constituents that we represent here in Saskatchewan. The other members of this caucus are free to vote however they wish.

Mr. Speaker, although, although . . . Mr. Speaker, although I have some very, very serious reservations about some of the aspects of this budget, I will be voting in favour of it.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Now I certainly realize that this doesn't happen very often, but I believe, because of the PST reduction, I have to support it.

However, Mr. Speaker, however, there still are a number of things within this budget that need to be corrected. And that's why, Mr. Speaker, I'll be moving a subamendment that reads:

That all the words after "relief set out in the government's budget" be deleted and the following be substituted:

but demand the government immediately undertake a plan to provide long-term tax relief for Saskatchewan families and business through reductions in the provincial sales tax and other taxes and fees; and further regrets this government's failure to recognize the hardship imposed upon municipalities through decreased revenue-sharing grants and failure to honour the provinces commitment to provide 10 per cent of the video lottery terminal revenue directly to municipalities; and further regret the government has not gone far enough to provide Saskatchewan businesses with the climate needed to create permanent, well-paying jobs in this province.

Mr. Speaker, I so move this subamendment, seconded by the member from Rosthern.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. I'll want to pause . . . I've not had opportunity to review the amendment before the hon. member moved it, and I'd like to take a moment just to reflect on whether it's in order. Order.

Order, order. I've had opportunity to review the subamendment moved by the Leader of the Third Party and do find it in order.

Mr. Heppner: — Thank you, Mr. Speaker. It is my pleasure to second the motion . . .

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

Mr. Kowalsky: — Mr. Speaker, with leave, and I beg indulgence of the member opposite, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kowalsky: — Mr. Speaker, it's my pleasure to introduce

to you this afternoon a group of 12 students who have driven all the way down from Prince Albert to observe the proceedings in the legislature and to take a tour of the legislature. And with them is their teacher, Dale Hassett, and as well as Sheryll Roy and Lois Ehlert.

I ask, Mr. Speaker, that all members join with me in welcoming the guests from Prince Albert to the legislature.

Hon. Members: Hear, hear!

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

Mr. Toth: — To join with the member in introducing guests, welcoming guests from P.A. (Prince Albert).

Leave granted.

Mr. Toth: — Thank you, Mr. Speaker. It's also a privilege to join with the member from Prince Albert Carlton in welcoming the guests from Prince Albert.

Mr. Hassett is certainly no stranger to this Assembly. He's taught in the Christian School in Leader. He's presently currently teaching in Prince Albert. And we're pleased to see him again bringing his students down to visit us here this afternoon at the Legislative Assembly. And we welcome them all and I look forward to meeting with them later on this afternoon. Thank you.

Hon. Members: Hear, hear!

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, the proposed amendment thereto moved by Mr. Gantefoer, and the proposed subamendment thereto moved by Mr. Boyd.

Mr. Heppner: — Thank you, Mr. Speaker. As I was saying, this is my pleasure to second the motion by my colleague, the member from Kindersley. And like my colleague, I'd like to emphasize that there are definitely some positive features about this budget. And that isn't usually a statement you hear from a member of the opposition.

I had the privilege this weekend when I went home to discuss with quite a number of my constituents this particular aspect, and the aspect I'm referring to is the cut to the PST. And the people out there are in favour of it, and I wasn't surprised. It happened to be one of the planks in our election campaign and I was elected on that. So when I went back home and found the people supportive of it, there was no surprise.

And I must say to the people across that I gave you full credit for that cut to the PST. And our caucus, our caucus took full

credit for the idea. And our caucus is getting full credit for the pressure to get that item passed. And so the score at present is 2 to 1, and that's a substantial victory and that's the way it will continue to be.

In fact I would be a hypocrite to suggest otherwise. Because as I said, I ran for that . . . on that position in '95. And one of the main things I was asked to do by my constituents was to vote for a 2 per cent cut to the PST. Now I'm in exactly the position to be able to do that, and I have no intention of betraying the mandate that my constituents have given to me.

However PST reduction was not the only point that I ran on, and I would be just as much of a hypocrite if I didn't stand to defend those other principles as well. For starters, I was elected to voice the people's call not only for one particular tax relief, but for general, long-term tax reduction as a guideline for government.

We have not seen that in this budget, Mr. Speaker. Sure, the Premier has been fond lately of going around saying that when the NDP cut a tax, they cut it forever. Well forever is a long time. Forever is a word you use when you're prepared to stand behind it with commitment and integrity.

We have never seen that kind of commitment and integrity from this government. This, after all, is the government that ran the last election on a promise of no new taxes, only to find back-door ways of doing exactly that through utility rate increases and fees, not just one time but again and again and again. And all you had to do was walk down the streets of your communities and ask them about it, and their memory is very good.

This is the same government that rushed out after the last election to tell us they were incapable of keeping any of their election promises. The word forever now rings pretty hollow in the context of the government's ability to stick to its own word. We have to keep those two things in mind, for my voters believe that this cut is truly forever.

They need to see a plan: first, a plan for the complete elimination of a PST, because that's what they want. Second, and just as important, they need to see a binding agenda that shows this government has left behind its avaricious and tax-gouging ideologies of the past and recognizes the importance of tax relief to the economy of the province and the lives of ordinary taxpayers.

And we had people across the way there making sundry remarks about the oil that was theirs and they had found it. Well I suggest to the NDP it wasn't their oil. I suggest furthermore they didn't find it. It belongs to the people of Saskatchewan and that's where the profit should go.

But frankly I'm not holding my breath, Mr. Speaker, for those kinds of plans. The main reason I'm not hopeful for that outcome is because of what I've seen with regards to this government's municipal policy. At the same time that they point the bony finger of blame at the federal government for offloading their responsibility, the NDP in Saskatchewan are pointing three bony fingers back at themselves, because they're

doing exactly the same thing on the municipal level.

In fact the most single disturbing aspect of this budget is that further cuts have been made on municipal spending. And when I go back to my town and my municipal bodies, they're aware of those cuts. They're concerned about those cuts. And they have only one person to offload them off to, and that's the taxpayer at the very bottom of the rung.

The results of this are clear. Municipalities will have to raise taxes, and these come as a result of NDP policies. It is this government that will bask, or at least attempt to bask, in the public approval for the cut to the PST. But remember who gets two of the three points on that — it's over here — while local politicians act as the scapegoats for the increases that have been caused. This isn't fair and it should be addressed before this budget can be allowed to pass.

One small thing that can be done to alleviate it is to give the NDP an opportunity . . . to give them an opportunity to show that they are capable of the kind of commitment that would back up a statement like, tax cuts are for ever. And we will give you that opportunity. All we are asking of the members opposite is to live up to their own promise and to direct a portion of VLT revenues to the communities. This would offset government's aggressive cuts and give municipal bodies further source of secure funding, rather than going back to the taxpayer at the bottom and saying, dig in that pocket and find another dusty dime to pay for your problems.

These are just a few of the concerns that I have with this budget. I'll reserve most of my thoughts for the debate on the budget motion proper. However once again, before that can proceed, I feel that this Assembly must take immediate steps to address the deficiencies of this budget.

Our motion allows that. By treating municipalities fairly, by committing the government to further tax reduction, and by setting us on a more aggressive course for creating job creation environments, I and the other members of my caucus will be able to look at this budget with the knowledge that it is fully a budget that we would have written were we the government. It is already about two-thirds of the way there. I invite the members of the Assembly to go all the way by voting to support this amendment. Thank you, Mr. Speaker.

(1515)

Mr. Osika: — Thank you, Mr. Speaker. You know, I sat here earlier listening to the member from Regina South and thinking to myself how unfortunate it is for a member to be elected to this House with absolutely zero life experience. You know, Mr. Speaker, it's probably very easy for that member to come into this House and read the speaking points that are prepared for him. I suppose it would be very easy for us to do that as well.

But what would be hard for many people to do is actually believe them, to believe that everything in our province is simply perfect now. Because that party is in power, to believe that all the problems have been conquered for everyone in this province, to believe that that government is looking out for the interests of us all.

It would be easy for that member to believe his own rhetoric since he's probably had very little opportunity to get out of the city very much in the last few years to actually encounter what's been happening outside of the boundaries of Regina or Saskatoon since this government came to power. Yes, it's probably easy to convince yourself everyone in this province is better off when you probably couldn't find places like Ituna or Lemberg or Neudorf with a road map and a compass.

I suppose it's very easy to think everything is just wonderful if you go straight from the insular world of university to a plum patronage position, courtesy of the NDP, to this House as an MLA. I suppose in those circumstances it would be easy for a person to stand here and say what he's been saying with a straight face, actually convinced of the words he's been told to say. I would have thought that sitting on the back benches for all these months would have given him some time to reflect on the truth of things, but I guess I've been wrong.

Mr. Speaker, as an MLA who represents an area that is definitely not better off through the actions of this government and will not be better off with this budget, I want to tell the members opposite some of the things that I've heard since this budget was brought down on Thursday. And I'll be quite truthful here.

My constituents in Melville are telling me that they are pleased the PST has been dropped back to 7 per cent, precisely where it was when the NDP came to power. Yes, Mr. Speaker, they are happy the government saw fit to reduce their tax burden slightly after the constant hammering they've taken for the last five years at the hands of this Minister of Finance and this government.

But, Mr. Speaker, the people of Melville see the other side of the coin as well. Of course they're happy to pay less sales tax. Who wouldn't be and who isn't? However, they also know the people of this province are still paying far more in taxes than they were five years ago. How much more? Seven hundred and ninety million dollars more, Mr. Speaker — \$790 million more. So you'll excuse the people of Melville if they don't commence dancing in the streets any time soon for this 2 point drop in the PST.

Though they obviously welcome it, they don't forget who raised it in the first place. They don't forget who inflicted the pain of high taxation for so many years. The members opposite won't fool the people of Melville any longer, Mr. Speaker, because they can't fool them. Because what they have forgotten — that \$790 million, Mr. Speaker — is that it was as a result of this NDP government's hit. Not much, by my estimation, that they are doing anything to alleviate that serious problem. Oh yes, they know the government is better off today than it was five years ago, but they themselves? No, they're not better off.

The people of Ituna are not better off without their hospital. The people of Melville aren't better off with constant cut-backs to their hospital. And for all the extra tax money that was taken out of the constituency, what was the return? Reduced services, crumbling highways, and a government that couldn't give two hoots to what's happening in that constituency.

Mr. Speaker, the last five years came with a series of slaps in the face for the people of Melville constituency. It didn't matter for the first three and a half years they were represented by an NDP member, the hits came anyway. And when the people said, enough of that nonsense, they elected me. And the hits kept coming.

Only now, only now at least I have the right to stand in this House and tell the government about the hurt and destruction their policies have caused out there — something the members opposite unfortunately can't do.

Mr. Speaker, through this government's actions, government service after government service have left the communities in my constituency despite the high rates of taxation. It's come to the point in Melville that even our judges and lawyers have to go hat in hand to try and find a place to hold Provincial Court, Mr. Speaker, because the government kicked them out of the court-house.

Of course, the Melville Court of Queen's Bench doesn't have the same problem since that was shut down completely last year. And where court was once held in Melville will go to the gutted SERM (Saskatchewan Environment and Resource Management) office — crumbs left over by the government after it centralized this office too, in Saskatoon.

Wonderful. What a great move. Our SERM people are now located in the largest city in Saskatchewan. But yes, we've got to keep the wildlife safe there too, I suppose. We don't want too much illegal hunting going on near the banks of the South Saskatchewan, especially near the Bessborough. I hear the problem is very bad there.

Seriously though, Mr. Speaker, I think we're all relieved that the rise in the debt has been arrested. I think everyone would agree with me when I say we are relieved the actions of the 1980s and the wasteful ways of the Devine government are over. Yes, I think the people of Saskatchewan should be proud of themselves, that we are getting a handle on the debt.

As an employee of Crop Insurance during that time, I saw unimaginable waste go on. Not by the workers, Mr. Speaker, but by the politicians themselves and their hand-picked hacks, who had absolutely no regard for the taxpayers' money.

I'll always remember those days, especially around 1986 and the lead-up to that election, because I always find it slightly amusing when I sit in this House and listen to those members opposite — a few of whom were elected in 1986 — point fingers at the wasteful ways of Grant Devine and the Tories.

And, yes, Mr. Speaker, there is absolutely no defence for what that party did to this province. Even while the economy was sinking lower and lower because of the farm and commodity crisis, they kept spending and spending. There's no doubt the Tories do deserve the fingers that are pointed at them.

But, Mr. Speaker, when I see some of the members opposite pointing those fingers, I find it just slightly ironic because, if memory does serve me, if anything, in 1986 the members

opposite who ran in 1986 were calling on the Devine PCs to spend even more. Members like the member from Regina Coronation Park or Regina Victoria or the member from Watrous, and the Premier himself. Those members told Grant Devine that he wasn't spending enough, though deficits were approaching \$1 billion. That's what the NDP members said.

So for us to believe that we would have not had this terrible problem had that party been elected in 1986, defies logic. That is of course, Mr. Speaker, if they were planning to keep their billion-dollar promises. But I mean, after what we saw in the aftermath of 1991 and 1995, we shouldn't assume anything like that at all.

I think the only person actually talking about the deficit in that election in 1986 was Ralph Goodale and the Liberal Party. The PCs weren't interested in talking about it. The NDP weren't interested in talking about it. Only Mr. Goodale was telling it like it was. Only Mr. Goodale resisted the urge to bribe people with their own money. I only give this brief history lesson for the younger members of the House opposite who are probably too young to remember or who close their ears to the true facts, Mr. Speaker.

One thing that troubles me about the last couple of budgets we've seen from the government is their lack of accountability to the people of Saskatchewan. The Provincial Auditor on numerous occasions has stated that this government only gives a partial picture of the true state of finances in this province. That cannot be denied. Because 60 per cent of the financial activity of the government are actually contained in the financial statements provided by this government, but so far the government has refused to be completely open and accountable.

I don't suppose this comes as a surprise to anyone. This is a government that says it prides itself on openness, but the facts simply don't back this up. Getting information from this government is getting to be more and more of a chore. There must be more and more to hide. I guess I was as shocked as anyone this past weekend when we heard the Premier admit to back-room financial dealings with the federal government — dealings the Premier says the people of this province had no right to know about. That's openness, Mr. Speaker?

Mr. Speaker, I also find it of grave concern when a Minister of Finance states she now considers the Liquor and Gaming fund as the government's stability fund. Isn't that just wonderful. The stability, the finances, of this government now rest on the shoulders of the vices of people. We see the government *Estimates* estimates it will take in 30 per cent more through video lottery terminals this year than last. Clearly the government knows it's got the people hooked and is happy that they'll just spend more and more gambling. Now if they could only find a way to put a tax on strippers, Mr. Speaker, I suppose the province would be even more stable.

They've a good thing going on, Mr. Speaker. And though I personally don't believe we can stop the average person from gambling if that's what they choose to do, I think, I think we have to commit ourselves not to take advantage of their weaknesses without also accepting the consequences. Yet this government continues to refuse to determine the effects of

gambling in this province by not having a review of the social and economic impacts.

You just can't reap the benefits without acknowledging the problems — something this government simply refuses to do. We've got VLTs in this province, and until the people of the province tell us to remove them, they'll stay. It's very hard to turn back the clock. This government began the deluge of gambling, and it's going to be hard to shore up the dike now, Mr. Speaker.

But do we have to prey on the weakest in society and be proud of it? Which is what the Minister of Finance seems to be doing. And it's not just individuals who are hurt by this government's greed, Mr. Speaker, it's also the communities. This government takes millions and millions of dollars out of villages, towns, and cities throughout Saskatchewan.

And at one time they acknowledged their responsibility to return a portion of this money from whence it came; of course they didn't do that. Have they kept any commitments? Instead we get the same old song and dance that the money is better off in general revenue because it's used to fund programs for these same towns and villages.

Well tell that to the communities which have lost their hospitals. Tell that to the communities which have lost their schools. Tell that to the communities where the highways leading into them have become virtually impassable. It's a tale that's become pretty hard to swallow any longer, Mr. Speaker.

This government has got to stand by its commitment to return some of its VLT money back to the towns it has been drained from, whatever the percentage — you promised 10 per cent. The hoteliers call for 20 or 30 per cent. That's money that could be used to fund our non-profit organizations or minor sporting organizations.

The Speaker: — Order, order. Order, order, order, order. Order. Now the . . . All hon. members will recognize that the hon. member from Melville has the floor. And there is plenty of opportunity to put their obviously strong-felt views and concerns on the record, which is the appropriate place to put them, not shouting them across the floor. From both sides of the House, I will simply ask for the cooperation of all hon. members and to allow the hon. member from Melville to continue to present his case.

(1530)

Mr. Osika: — Thank you, Mr. Speaker. The government promised a return of 10 per cent of VLTs. That's money that could be used to fund our non-profit organizations or minor sporting organizations — organizations that once kept their head above water through local fund-raising.

There should be more than 10 per cent return, Mr. Speaker, to benefit these communities. Much of those funds that they used to raise came through small community bingos, but of course this has been made virtually impossible since the introduction of VLTs and the expanded gambling program.

These communities need the money back. And we'll keep talking on this side of the House until the government sends it back or until we're in a position to send it back ourselves.

Some Hon. Members: Hear, hear!

Mr. Osika: — Now, Mr. Speaker, I want to make a few comments on this government's so-called new-found commitment to our highways. I say so-called because once again they are trying to fool a public that has been fooled once too often by the members opposite.

We hear of a 10-year \$2.5 billion commitment to our roads. That sounds like a lot, to be sure. But in reality, Mr. Speaker, it's not much more than what they were budgeted for last week . . . or last year, and it's still less than what was budgeted before this government came to power. So just what is the commitment?

I guess it's a commitment to keep our highways in deplorable shape, Mr. Speaker — highways like No. 15 from Melville to the Yellowhead at Langenburg. It's a disgrace it's so dangerous. So much so that the people travelling west to east now bypass Melville and travel instead through Yorkton. This hurts the economy of Melville, and it's not isolated to there.

There are many such examples throughout my constituency, and there are examples in other members' constituencies near my own. Highway 35 from Qu'Appelle to Weyburn springs to mind. That's in the Minister of Environment's riding. Or Highway 22 from Lipton to Southey, which is almost beyond repair. That's the member from Last Mountain, Mr. Speaker. Each and every member of this House can probably cite two dozen examples of disgraceful highways, and this government makes the commitment to spend what it's spending now.

In other words, I guess they're committing to keeping our highways in the same deplorable state for the next decade that they are now. And this government, which has doubled the gas tax since taking power, this is a government that has run up a billion-dollar surplus in gas taxes and registration fees since coming into power. This new-found commitment looks an awful lot like the old commitment to me, Mr. Speaker, and that commitment has wrecked our highways, absolutely destroyed them.

The only saving grace here is that they've only got another couple of years left in their mandate. Then our party, a party with a real commitment to the people of Saskatchewan, will take over.

Mr. Speaker, we'll hear a lot in the next while about this government's tax relief and how much it'll save taxpayers. But again, let's give a whole set of facts here. What the people save in the PST, they'll more than lose in higher property taxes, and not only because of the reassessment scheme this government is imposing, but because municipal governments have once again been pillaged by the members opposite.

This government, which says all the problems of the world are caused by cut-backs from Ottawa, thinks nothing, thinks absolutely nothing of downloading even more onto our

hard-pressed, hard-working, and intelligent local governments. The hypocrisy is absolutely unbelievable, Mr. Speaker.

I mean how can those members stand there and say downloading is bad when that's all they've done for five years now. And who pays? The same taxpayers that those members say are getting a tax break. Hardly, Mr. Speaker.

Where do they think the municipalities are going to get the money to make up for their own shortfalls, Mr. Speaker? You know this point was really driven home to me on Friday, when I think everyone knew somebody who was stuck somewhere on a Regina street because of the lack of snow clearance in the city this past winter. Downloading to the municipalities and cutting back on money.

Already this year the city of Regina . . .

The Speaker: — Order. Order. Now all hon. members will recognize the decorum in the House exempts members from shouting across the floor no matter how enthusiastic members may be. And I will ask all hon. members to respect the decorum of the House and to allow the hon. member from Melville to be heard.

Mr. Osika: — Thank you, Mr. Speaker. Already the city of Regina has spent over two and a half million dollars of its \$3 million snow removal budget. And obviously the pressure is going to be on the city to increase the budget so it can clear the snow on residential streets once again so we can avoid this situation next year.

Probably some of the Regina members opposite have been in those clogged streets and snow and slush, and I hear them chirping that they have been, in front of their own homes. So I ask them, where do they think the cities like Regina are going to be able to find this extra money when you cut transfers to the city by 30 per cent? And that's only this year's cut, Mr. Speaker.

Where is this extra cash going to come from? That's right. We know where it's going to . . . you know where it's going to come from. It's going to come from the taxpayers, from the local taxpayers again.

So I'm very interested, and I will be, to hear what the members opposite will have to say to the municipal leaders in this province.

The member from Regina Victoria, who himself was a city councillor here in Regina, I'd like to hear, when that member gets up to give his vitriolic speech which reminds people of being at an evening for the improv, when he gives that, what this budget will mean to the budgets of urban and rural municipalities. I'd like him to use his expertise to tell us how cities, towns, villages, and RMs will be able to avoid passing along tax increases to their ratepayers.

I'd like to hear somewhere in his rhetoric how some of these local governments are going to be able to cope with this latest 30 per cent cut. And then I'd like him or one of his colleagues to explain to me how their downloading is justified when they

say over and over, what a sin it is for the federal government to reduce its transfer payments. That cut, by the way, this year equals about 1.2 per cent of this government's total spending.

I'd like to hear someone on that side of the House explain that, but I doubt very much that they will, Mr. Speaker, because there's no way they would be able to justify this type of hypocrisy, Mr. Speaker. So please don't pat yourselves on the back too hard for the reduction of the PST.

Just look at the property tax bill you get this year and next, and think about the actions of your government. Then the reality of this so-called tax cut will hit you squarely between the eyes. Of course, Mr. Speaker, what better way to gain a stranglehold of municipalities than by choking the life out of them.

Could it be, Mr. Speaker, that this is the way the government is now going to force municipal amalgamation? The government was forced to back down last year, so now they're trying to accomplish the same results by cutting funding. Another cynical action by a cynical government.

Mr. Speaker, while addressing the needs of rural Saskatchewan, one can't forget the topic of education and health care for one moment, because one affects the young and innocent and the other affects the sick and the elderly. One represents our hope for the future; the other the legacy of our past. But both have been under attack by this government since it came to power, and it looks like its going to continue.

Mr. Speaker, the new money to health care amounts to about 1 per cent. And during the last five years, funding to sick and elderly has not even kept up with the rate of inflation. Saskatchewan people, especially in rural areas, have seen their health care services disappear, replaced with first-aid stations — if they are fortunate.

The Plains hospital, which served so many rural residents — and which, by the way, the member from Regina South vowed to save if he were elected — will not be saved by that member opposite. It will not be saved by the 1 per cent increase to the health care budget.

The people in rural areas have taken matters into their own hands. The people of Redvers are building their own hospital because the government won't. The people of Coronach subsidize their own doctor so they have at least some access to health care. The people of Dodsland are simply asking the government to let them use their own money to keep their health care centre open a couple of days a week so the doctor can continue coming to town.

This 1 per cent won't fix any of those problems.

And there are many other such instances, Mr. Speaker. And those problems will continue, because it's not only a money issue we're talking of when we debate our health care system, it's a systemic problem created by the flawed system that this government has put in place, a system that virtually assures our rural areas of further reductions in services in the next few years.

It promises to be another long, hot summer for the government, Mr. Speaker. The people of Saskatchewan told this government, they told them what they thought last year, and I'm confident they'll do it again this year.

Mr. Speaker, what has happened to our hospitals for the last five years is what I fear is in store for our schools as well. Mr. Speaker, I chuckled when I heard about the so-called increase in funding the government has committed to our public schools — 8 million bucks. Wow! That sure sounds like a lot, doesn't it? That is, until you discover that it's only enough to cover the costs of the teachers' contract that the government negotiated, a contract that the school boards have to pay for. So in essence, there is no more money to actually use to teach our children. Again, some commitment, Mr. Speaker, by that government.

So I am very anxious to hear how this budget addresses the problems in our province that I have raised today. I am very anxious to hear what the members opposite are thinking. Of course we never really get to hear what they're thinking because they're not allowed to say what they really think. And that's too bad, because I think their constituents would like to have a voice in this legislature for a change.

Mr. Speaker, while I know the government did the right thing in putting the PST back to the level it was when they came to office, the reality is the people of Saskatchewan will not see the benefits of that reduction because of the government's other moves. It's another shell game performed by the Minister of Finance, the best sleight-of-hand artist I've ever seen.

Mr. Speaker, this government has caused a lot of destruction in my constituency and many others since 1991, and I see no evidence in this budget that that destruction is going to be reversed any time soon. For that reason I am unable to support this budget and I urge all my colleagues in this Chamber to vote for the amendment put forth by my colleague, the hon. member from Melfort-Tisdale. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Lorje: — Mr. Speaker, I want to first start out by thanking my colleagues for the opportunity to address this House on the budget speech. I deeply appreciate their trust and generosity in asking me to speak. I will try to be brief.

I want to say first off that my speech will not be the typical one of extolling the virtues of our budget and exposing the foibles and pettiness of the opposition parties in their feeble attempts to bluster against it. I find their comments passing strange and I will leave rebuttal of them to my more skilled colleagues.

Rather, what I want to do and what I want to talk about today is the fact that I see in this budget and the accompanying throne speech a coming together of a redefinition of social democracy in Saskatchewan, a redefinition that will take this province proudly and confidently into the next century.

As a political party, the New Democrats have come through a lot in the past decade. I think that it is only fitting that we stop and examine where we've come from, what we've gone through, and who we are now.

Ten years ago, Mr. Speaker, we were in opposition in this House after then-premier Grant Devine made a frantic midnight phone call to bail out his sinking election so that he could continue to run up public debt. Ten years ago our party led the way to opposition to his privatization of SaskEnergy. Along the way we set new standards for bell ringing in this House and we also sharpened our reputation for defending the public ownership of utilities for the benefit of all, not just for the profit of a few.

Some uncharitable souls have since twisted that to mean that our party wants public ownership of everything. Nothing could be further from the truth. As social democrats we understand and we accept the importance of the free market economy; however, we do not believe that it is the total or even partial solution to social ills.

(1545)

Much has happened to affect social democratic policies in the last 10 years. In the past decade, Mr. Speaker, the world has witnessed in 1989 the amply deserved fall of the Berlin Wall and the subsequent collapse of Communism. We celebrated, as did most people, the fact that finally a bloc of people might have the opportunity to participate in a free and democratic economic and political system.

Curiously, Mr. Speaker, just as that year signalled the end of Communism, so too it appears did it signal the end of the brash, admit-to-no-alternate-solution system of the hegemony of the market. Reagan and Thatcher and their philosophies had about run their course. The world was starting to realize that their wilfully blind attack on the welfare state would no more solve the problems of poverty and distorted distribution of resources than would the blow to bureaucracy that had mushroomed under governments of all sorts.

The ideals of Reagan and Thatcher were exposed as false promises, as full of social and moral bankruptcy as the communist system.

In the '90s, Mr. Speaker, governments all over the world have had to come to grips with runaway debt and crippling deficits. They have had to cope, just as we did here in Saskatchewan, with the sad reality that our children's future was being mortgaged to pay for a bubble of false prosperity. But because the glib propaganda of the so-called "new right" is easier to repeat than is the notion of shared responsibilities and duties, the left all over the world, and particularly in Canada, has been in disarray for much of this decade.

Against this background, Mr. Speaker, the New Democratic Party of Saskatchewan, under the pragmatic and visionary leadership of the Premier, the member from Saskatoon Riversdale, has been quietly, carefully, and thoughtfully rethinking and reshaping social democracy. This legislative session gives us a chance to brag a bit about the fruits of our labour.

Just as Tony Blair in England took his party from a socialist party to a social democratic one, and along the way added the

word "new" to distinguish his modern approach, in new Labour, so too we have added a new dimension to the NDP. Indeed, Mr. Speaker, I think that we could quite confidently call ourselves the "New Social Democratic Party" with a lot of pride.

We believe in the mixed economy and the power of society through government and community to provide a hand-up for less privileged people. And we believe strongly in the notion of patient, democratic, participatory political reform. In short, we are roughly to the left of Liberals and Conservatives and very definitely to the right of the imaginary propaganda line they draw for us.

We are social democrats, and here in Saskatchewan, I believe, we are redefining in a practical and a successful way what it means to be a social democrat in the '90s and beyond.

And how are we doing this? The answer, it is clear, lies first in the realization and acknowledgement that government is not, as the opposition would have people believe, the enemy of the people; government is the instrument of the people. It is a tool, a means to an end; not an end in itself. That means that occasionally it needs to be reeled in, modified, adjusted. It means acknowledging that the state is no substitute, for very long or very effectively, for a just and caring society.

It also means recognizing that the left of the post-war period was perhaps a victim of its own success. The social safety net, public ownership of utilities, quality public education, universal health care — all of these social democratic measures, as they became stable and institutionalized, led people to believe that they would always be there. The struggle was over and vigilance was unnecessary.

Unfortunately, Mr. Speaker, as we all know, that simply was not the case. Profligate, spendthrift governments, unfettered markets, and public fatigue with the demands of special interest groups all took their toll. So in 1991, we were elected with a mandate to deal with the deficit. And we did, Mr. Speaker, we did indeed.

We are only now able to talk frankly about the immense horror of the fiscal debt crisis. Equally importantly though, I believe that it is now time for us to talk publicly about the many other sorts of deficits that we're dealing with.

Deficits aren't only fiscal. That's the most obvious sort and the one that's caused so much heartache and sacrifice for the people of Saskatchewan. That's the one that this budget attempts to ameliorate. That's the one that this budget aims at in order to give back a bit of hope and optimism and a greater chance for our strong, mixed economy to grow, for our families to plan on, and for our communities to work with. That's the fiscal deficit.

But this budget and the throne speech also deal with other deficits and our approach to all these deficits is the foundation for a modern expression of workable social democracy. We are dealing with the political deficits built up by successive disdainful political administrations that believed governments were essentially bad and set out to prove the rightness of their

hypothesis. We are dealing with the democratic deficit built up by years of cronyism, back-room dealing, and elitist decision making. Democratic involvement of people is messy, inefficient; and it's right and it's effective.

We are also dealing with the deficit of values that has spread like a cancer into the hearts of our communities and our homes. Values that emphasize the isolated splendour of the individual — the "I'm all right, Jack, now the rest of you shove off the boat" approach — where the big dogs ate first and only scraps were left over for most of us; the values deficit where the notion of citizen rights somehow got divorced from the reciprocity of their duties.

Believing that individual rights and entitlements are more important than collective responsibilities is a lopsided way to claim full and complete membership in a community. In this province, in this social democratic party, we believe that no one should starve or go homeless.

Some Hon. Members: Hear, hear!

Ms. Lorje: — No one should lack for essential medical care. The elderly must live in dignity and children must have the chances they need to participate fully in the life of their society. All people should have the opportunity for employment and the sense of pride that goes with knowing that they are making a productive contribution to their community. And these are things that the New Democratic Party, the new social democratic party of Saskatchewan — the government of this province — is seeking to achieve with as much haste as we can muster.

We've dealt, as I said, with the fiscal deficit. We are dealing with the democratic deficit. We set up the Gass Financial Management Review Commission to bring government back to a state of open, honest, accountable measures. We've consulted, and together with the people of this province we, all of us together, decided that government surpluses should go one-third, one-third, one-third, to debt, tax relief, and social programs. We've worked to democratize government.

A quick example: last year we held public consultations about parks in Saskatchewan. Our initial idea was to consider cut-backs in funding, close some, change the park structures in Saskatchewan. But along the way people told us very clearly that parks, open spaces, communal gathering places, and a clean, quality environment were a top priority. So we listened. This budget includes a \$1.7 million increase to parks. That's a solid example of proving our commitment to deal with the democratic deficit.

As well as democratizing government, we are working to democratize society. That's why measures in this budget to enhance the child action plan are so important. That's why we've allocated money for increased wages for child care workers; for benefits and pensions; for people working in group homes; for redesigning social assistance; for enhancing home care, emergency services, and adult basic education.

And what about the deficit of political mistrust? We are dealing with that as well. We could very easily have socked away

money into an election goodie package. We could have cynically said that our own re-election was most important, but we didn't, because our definition of new social democracy includes dealing with political deficits and public cynicism. We want to restore a sense of honour and decency to the political process. A tax cut today is right, it's decent, and it's fiscally sustainable.

I should also add that it is the responsibility of all elected members to work on balancing the political deficit. The Leader of the Third Party said he would vote for this budget if it contained a 2 cent PST decrease. Now he has gone a long way to restore public confidence and trust in his party, and to back up his words with action. I congratulate him, and I hope all members of his PC caucus vote unreservedly for our budget, as he has indicated that he will.

By the way, as important as our tax reduction measures are, I hope people notice that throughout her 40-minute budget speech, the Finance minister resisted the opportunity to go for the quick applause and ovation. As important and stimulative as the PST reduction is, it only makes sense in a just and caring society, such as we want in Saskatchewan, if it is coupled with a sense of hope and optimism for communities and families.

The tax cut was the most flashy measure in the budget, but the most important aspects of this budget were the social measures, and properly so. The Finance minister gave them top priority in her speech and we give them top priority in our government.

Mr. Speaker, the left is not dead. Social democracy is not a spent force. Here in Saskatchewan we've demonstrated how it is realistic, relevant, and responsible. We've showed that social democracy is more than democracy and more, much more, than socialism.

We don't have any magical solutions, but we do have an abiding faith in a demanding, egalitarian morality that deals with deficits of all sorts up front, practically and effectively. Our morality isn't based on repression. It is based on mutual respect, on rights and responsibilities. It is based on the optimistic notion that, with diligence and persistence, wages, standards, and benefits for everyone can be levelled up.

We don't have all the answers. We don't have a magic blueprint for how do we organize a modern economy. But we do know that working together in partnership with business, with unions, with communities, and with families, we will all, together, have the confidence and certainty to make this flat piece of land a better place.

I want to close by quoting words Carlyle King spoke at the memorial service for Tommy Douglas in 1986. He described his role as CCF (Co-operative Commonwealth Federation)-NDP party president and the fortnightly meetings he had with Tommy, the premier.

(1600)

They'd debate, discuss, and occasionally disagree. But throughout it all, as he said, they'd light up their pipes, and "plot how to do good for the people of Saskatchewan."

That's our goal too. The means are different, the problems are perhaps larger, but the imperative to do good is the same. And this budget, this throne speech, and this modern social democratic party, is up to the job.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. I am proud to stand in this House and lend my support to a budget which has given the people of Saskatchewan a feeling of hope, opportunity, and optimism as we approach the next millennium.

This government, with the cooperation of its resourceful people, has moved this great province — the best province not only in Canada but in the whole wide world — from the brink of financial disaster, thanks to the felonious misuse of public funds by the former Tory administration, to a time when the budget has been balanced for four consecutive years. The debt is being reduced, and at a time when funds are available, to improve on social programs for those desperately in need.

On Thursday a feeling of euphoria spread like a prairie fire through Saskatchewan. However, Mr. Speaker, there were a few notable exceptions. The Liberal members opposite, those purveyors of doom and gloom, sat in their seats, downcast, disconsolate, and in despair as the Finance minister unveiled a truly remarkable budget. Only the announcement of a complete economic collapse would have made them feel comfortable, for then we too would be like them — pessimistic, disorganized, disbelieving. Never. No way. Not us.

Mr. Speaker, a budget is a reflection of a party's philosophy. This budget is about investing in people, about creating more growth and jobs, about reaping the benefits of our work together. Contrast this with the federal Liberal budget in which they use the tax system not to distribute wealth evenly amongst all people but to redistribute wealth for big corporations and the very wealthy.

In one major piece of legislation, Bill C-9, which was passed in November 1995, the federal Liberals opted to create new loopholes for the rich rather than close them. Bill C-9 ensures that estates of rich Canadians with more than 600,000 in property in the U.S. are reimbursed with Canadian tax credits for estate taxes paid in the U.S. That means other Canadian taxpayers like you and I have to make up for taxes paid by the very wealthy to the U.S. government. And believe it or not, this tax gift is retroactive to 1988. The Liberal way.

As well, Bill C-9 gives tax deductions to Canadians who donate money to American universities. Thus Canadian taxpayers are subsidizing Ivy League universities in the States, while the federal Liberal government is slashing money earmarked for Canadian colleges and universities, making post-secondary education inaccessible to many middle-class and working Canadian youth.

Mr. Speaker, Saskatchewan's budget provides for the training of our young people so that they will be prepared with the skills

necessary to take their rightful place in the work world. Of course we would like to do more, and we shall as circumstances allow us to.

Again, let's take a look at the federal Liberal floundering in its job creation policies. The federal Liberals budget's job strategy states: the government's overriding economic objective has been job creation, and "the government's jobs and growth strategy has been working." I suppose if you say something often enough, you will accept it as the truth.

However, the fact is that when the Liberals were elected in 1993 there were 1.5 million unemployed. Guess what? That's how many are unemployed today. And the number of young people unemployed is up by 6 to 7,000. Their strategy is really working.

Unemployment has been running over 9 per cent in Canada since 1993. Compare that to Saskatchewan with the unemployment rate of 6.6. And the forecast in December of last year projected that unemployment would remain above 9 per cent this year and next.

I'd like to point out a clipping from the newspaper which has the following:

We have seen the country producing net more than 700,000 new jobs. More than, as I have said, Germany, France, Great Britain, and Italy.

Prime Minister Jean Chrétien in the House of Commons on Monday.

What has happened? Well Finance Minister Paul Martin has also sounded the same call on many occasions, often citing the Prime Minister as his source. It has become something of a mantra, but it is no longer true. And even when it was true, it was somewhat misleading.

This government has been very . . . the federal government has been very diligent about reducing the deficit. It set deliberate targets, took aggressive and ruthless action to realize them, and made conservative assumptions about economic conditions to ensure their success.

On jobs, the federal government has a very different approach. The Liberals have set no targets, have adopted a passive approach of relying on the economic fundamentals in the private sector to generate new jobs, and have made no forecast of their own as if they had no direct responsibilities for jobs in the country. The price of the government's success in deficit reduction has been a jobs crisis and the dismantling not only of our jobs but also social services.

Mr. Speaker, another area I would like to say a few words is with regards to the health system. Mr. Speaker, as the Finance minister stated, this year Saskatchewan commemorates one of its finest achievements. Saskatchewan gave Canada medicare to enable everyone to receive the best health care that we could afford and sustain.

This budget provides an additional 51 million more to our

health districts for 1997-98. One out of three dollars of this government's budget will be invested in health. We will provide a stable, safe, secure health system for the citizens of Saskatchewan.

Let's look at the Liberal plan. Last year the federal government authorized a national forum on health. The report of the national forum on health was released at the beginning of February. First, the national forum shares many of Saskatchewan's beliefs and philosophies. Everyone has the right to the best health care we can afford, regardless of their ability to pay. The single-payer approach is the best way to provide health services.

Second, the forum proposes an emphasis on home care and on improving primary care. That reflects our experience in Saskatchewan. Third, the forum supports an integrated child and family strategy including a national child benefit. We have been calling on this for a long time. Reducing child poverty is a key to improving the health of our population. Progress on this issue should be a top priority for all governments this year. What has the federal government decided to do? We can wait until 1998 and then we will make a modest beginning.

Fourth, the forum proposes comprehensive national coverage for drugs and medicine. As our Premier stated, I am generally supportive of the idea, with two caveats. Such a program would require a major stable and long-term financial commitment from the federal government. And such a program would likely only be sustainable if Ottawa meets its election commitment to amend drug patent legislation passed by the previous government, that is inflating drug costs.

A great report. Super recommendations. But where's the financing? Promises never paid for a single medical procedure. Promises never paid for a single home care unit. Promises never paid for a single drug prescription.

We found out in a hurry where Chrétien's and Martin's priorities lie. In the budget speech, medicare was cut by a whopping \$2.5 billion, this year alone, 2.5 billion — \$7 billion overall. Oh, they set aside a hundred million in each of the next three years for pilot projects to explore how provincial health plans could expand to cover the cost of prescription drugs and home care. However, no mention of reform of the patent on prescription drugs. No mention on increased funding. No enforcement of national standards. What we need is a new direction for health care in Canada.

It requires that we make health and health care a national priority. It requires that we recognize that saving medicare is not a matter of imposing Ottawa's will on the provinces which have the constitutional responsibility for health care, but a matter of national leadership and priority. A new direction . . .

Some Hon. Members: Hear, hear!

Mr. Wall: — A new direction for health care in Canada must bring together all government policy and measures. That includes the replacement of the Mulroney drug patent legislation with new rules that fairly balance patent protection with the need for reasonable, lower prescription drug prices.

Politicians and the public should be using the current and critical debate on medicare as an opportunity to consider major shifts in the system. That must include priorities in health care delivery away from large institutions towards community-based care that really does respond more effectively to people's needs. It is essential that a new, integrated approach to health care recognize home care as an important and cost-effective part of the system on an equal footing with hospital and traditional medical care. And we have to invest in the research and creative pilot projects that can keep Canada's health system at the cutting edge.

Some of this, of course, requires money. And the Liberals, Reformers, and Conservatives will tell us there is no money. Do you think 10 billion would do it? That amount represents a tax of less than 20 per cent on the 51 billion corporate profits that have gone completely untaxed in Canada since the Liberals took power less than four years ago — 20 per cent, a modest tax on huge profits.

But, Mr. Speaker, the point isn't what per cent of corporate profits should be taxed. The point is that there is a source of revenue to support medicare. Why do the Liberals refuse to use it? I think you know the answer to that as well as I do.

In total, the federal Liberal government is reducing its national commitment to health care by 40 per cent. The Liberal's idea of health care reform is to cut, cut, cut.

Mr. Speaker, the budget fulfilled this government's promise to reduce taxes when we could afford it and only when the cuts would be sustainable. Mr. Speaker, this budget introduced a responsible, sustainable tax cut for all people, reducing the sales tax from 9 to 7 per cent, a tax cut made possible by the sacrifices of the people of Saskatchewan.

Some Hon. Members: Hear, hear!

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

Hon. Ms. Crofford: — Permission to introduce guests?

Leave granted.

INTRODUCTION OF GUESTS

Hon. Ms. Crofford: — Thank you, Mr. Speaker. I'm sure that you'll be as pleased as I am to see that we're joined by Lawrence Yew, previous MLA in this House for Cumberland from 1982 to 1986. And I'll even confess that at that time I worked as Mr. Yew's assistant, and I think we did some pretty good work together there on behalf of northern people.

He's joined by Greg Ross, the mayor of Pinehouse, and his wife Shirley. And they were telling me about a very exciting project called Challenge 2000 where they're putting forward a development plan for their community to assist the whole community towards independence. So I wish them success with their new plan in getting it implemented. And they were here today to participate in the infrastructure signing. So I would ask everyone to join me in welcoming them to the House.

Hon. Members: Hear, hear!

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

Hon. Mr. Shillington: — With leave, to add to the comments of the minister.

Leave granted.

Hon. Mr. Shillington: — I wanted to welcome Mr. and Mrs. Ross here. I met them for the first time a few moments ago. I did want to welcome . . . I particularly wanted to rise to welcome Lawrence Yew here. Lawrence and I were desk mates where the member for Battlefords and the member from . . . (inaudible interjection) . . . Humboldt, thank you, sits. We sat there for four years.

Lawrence was not just a desk mate; Lawrence became a good friend. In a period of time when I say there was only 10 of us, we didn't have a lot of good friends, and we deeply cherished those we had.

Lawrence brought a civility and a sense of humour to the Assembly which left an impression upon all who knew him. And I think I can speak on behalf of the members . . . I think I could say on behalf of the members who sat in the Assembly in that time, welcome back, Lawrence. We very much appreciated your contribution when you were here.

Hon. Members: Hear, hear!

(1615)

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, the proposed amendment thereto moved by Mr. Gantefoer, and the proposed subamendment thereto moved by Mr. Boyd.

Mr. Wall: — Thank you, Mr. Speaker. Once again this government has shown by its actions that a fair, equitable taxation system allows a government not only to reduce the debt, cut taxes, but more importantly allows a government to improve on social programs.

Fair taxation is the furthest thing to the Liberals. The opposite members favour the harmonization of the GST, which would increase the base of items taxed — children's clothing, services, books — while allowing big corporations further advantages. Perhaps we should just take a look, a brief look at the history of the GST.

The Mulroney Conservatives brought in the goods and services tax in 1990. The Liberals said they would get rid of it. Lord, it's still there. I'm not sure where they are.

Before the GST, the manufacturers' sales tax that it replaced was paid at the manufacturers' level. And about half the money it brought to the government came from manufacturers themselves, while the other half was passed on to the consumers in the form of higher prices. Thus consumers and corporations shared the tax equally.

But big corporations did not want to share. They wanted a tax that only ordinary people would pay, so they successfully lobbied the Conservatives to bring in the new GST — a scheme in which all the money paid by big corporations would be rebated.

In the mid-1980s, the MST (manufacturers sales tax) was generating about 14 billion in government revenue. When the GST replaced it, about 7 billion of that revenue shifted from corporations to consumers — that is to middle-class and working Canadian families.

Since the Liberals came to power in 1993, big corporations succeeded in lobbying them to abandon their election promise to get rid of the GST. Then they pushed Liberal Finance Minister Paul Martin to promote the original Conservative plan to harmonize the GST with the provincial sales tax schemes — HST (harmonized sales tax) — and the first letter does not stand for happy, but refers to a member of the equine family.

Mr. Speaker, the Saskatchewan budget is a great beginning, and more will be done as circumstances warrant it. I've briefly touched on a few areas. Other colleagues of mine will develop some of the other areas — education, transportation, social programs.

Investing in people — that's what the budget is about. Come, join with us in building a better future for our children and our grandchildren.

Mr. Deputy Speaker, I will not be voting for the amendments but will heartily support the motion. Thank you.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, after watching my son last night, and his hockey team win the A side championship in the Regina South East Minor Hockey Association in a very exciting game which they won in the second overtime period, I didn't think I could ever get my head around to lesser matters such as the provincial budget. But I'm going to give it a try, Mr. Speaker.

Mr. Speaker, it is a special pleasure for me to participate in the debate on this particular budget. I've been a member now since the fall of 1986 when I was first elected, and I've participated in many budget debates and have been able to look critically at a number of budgets since that time.

The first budget . . . And, Mr. Speaker, while I might, I was given this information a few weeks ago and I've been looking for an opportunity to read it into the record because I know it's one of these matters of great importance that members will remember for ever. And it's one of those little things that serves

to clarify for those people who are watching at home what the term “budget” is all about.

And I quote from the book, *Parliamentary Procedure*, on page 124, and it states that:

Budget is derived from the word budge, an obsolete word for a small bag (Mr. Speaker). Budge is itself an anglicized form of the French “bouger.”

Now I assume that I am pronouncing that correctly and my friend, the member for Regina Sherwood, I’m sure will correct me if I’m wrong in that, but it’s an anglicized form of the French “bouger,” which has the same meaning.

In a pamphlet in 1733, entitled *The Budget Open*, Sir Robert Walpole, the Prime Minister and Chancellor of the Exchequer, our Finance minister, when explaining his financial measures, is satirically pictured as a quack doctor opening a bag filled with medicines and charms. And the expression appears to have come into use about this time, Mr. Speaker. So that’s the . . .

I know that my fellow colleagues here in the Legislative Assembly are only too well aware of the meaning of the word “budget” and where it comes from, but I thought that some of the people at home, and especially those who are joining us now from communities that were not formerly serviced by cable TV, are now, can also be made aware of the origin of the word “budget,” Mr. Speaker.

But that’s a bit of a digression, Mr. Speaker, from the comments that I wanted to make, but I did want to find an opportunity and I didn’t want to lose the opportunity or forget the opportunity, to clearly read it into the record and to make it clear for the people at home the origin of the term “budget.”

Mr. Speaker, my first opportunities to participate in budget debates were as a member of the opposition, when I sat on the other side of the Legislative Assembly. The first budget year that I was involved in involved a budget in which I didn’t participate. That was the 1986-87 budget, which I think will probably go down in Saskatchewan history, if not in Canadian history, if not in Commonwealth history, as the all-time whopper ever.

That was the budget, Mr. Speaker, that was . . . well, a whopper, a doozy, a — what shall I say — a budget where the truth was at great variance with the actual events, Mr. Speaker, or the truth of the budget speech was at great variance with what actually happened.

There was what you might say, a wide discrepancy between the forecast budget and the actual events, Mr. Speaker. I know because I spent, I spent some fair amount of time — not participating in the budget debate, obviously, because I was elected afterwards — but participating in an exercise in the Public Accounts Committee where we scrutinized that budget.

And that budget was remarkable because that was a budget where the original forecasted deficit . . . and that was at a time that every year we were forecasting deficits. This may seem like a long time ago, but it wasn’t that long ago. It was only 10 years

or so ago that every budget was a deficit budget. And that year the forecasted budget was about \$300 million. And that was also the budget which carried us into the fall, I think it was, October 1986 election.

So the budget came down in the spring, and said, well the deficit will only be \$300 million. And I believe there were also words in that budget, as there were in preceding budgets, about Saskatchewan people should not become too alarmed about these deficits because these were matters that were under control, and if they weren’t under control they would shortly come under control, and certainly no reason for Saskatchewan people to become alarmed. But that particular budget forecast a deficit of \$300 million.

Later during the course of that year, I think a few months later, the government revised its estimate, I think after the legislature quit sitting. They revised its estimate of what the deficit would be from approximately \$300 million to then \$500 million — I believe approximately half a billion dollars, Mr. Speaker.

And I believe that was during the election campaign that the then Finance minister said there’s no reason whatsoever, none whatsoever, what were people thinking when they even suggested this, that we should become alarmed about the fact that this projected deficit, or forecasted deficit in the budget, would be increasing from 300 million to \$500 million. Absolutely no reason for the Saskatchewan public to become alarmed about that, because things were firmly in hand and \$500 million was it — that was it, it wasn’t going to go any higher. No reason for anyone to become alarmed. That’s what the PC minister of Finance said in 1986.

Of course we know, and history tells us, that the actual deficit that year wasn’t 300 million, it wasn’t 500 million — in fact it came in at \$1.2 billion, Mr. Speaker.

So that’s what I meant when I said that there was a wide variation between the initial forecast and the actual deficit that did occur during that fiscal year. And it will forever remain in Saskatchewan history a budget which will be pointed to as being an example of how not to budget, because it was a budget that missed its mark and missed it badly, Mr. Speaker.

But that was the first budget year that I was involved in as a member of the Legislative Assembly.

Now that was followed by the PC budget of 1987-88 which was the budget in which they set out to correct, to correct a huge deficit from the previous year. And I think members will recall that budget came down with a number of Draconian measures the likes of which we had never seen before in Saskatchewan. Among other things, I believe it totally abolished the children’s dental plan.

And the 1987-88 budget, that budget occasioned a mass march on the Legislative Building. I believe there was something like 10,000 Saskatchewan people that felt strongly about the budget, that they marched on the Legislative Building and participated in a rally to voice their displeasure of that budget.

That budget was also significant because it probably is the latest

budget that we've ever had in Saskatchewan, I believe. Now I stand to be corrected on that, but it was a very late budget which was preceded by a government spending, by special warrant, money that should have been provided through budget. But because they were so late in coming down with the budget of course, they had to spend money, they had to get money from somewhere, and they spent it by special warrant.

So those were the first two budgets that I participated in. One budget that was completely off the mark, like nothing we've ever seen before and I dare say hopefully . . . well hopefully, if that sort of cast of characters is never returned, we may never see again, Mr. Speaker.

And then a second budget that I think was, oh, it was very tough. It was a very tough budget; it was Draconian. But I think in other ways it was also punitive. It was a budget that seemed to single out . . . and the government of that time seemed to single out and take delight in singling out groups that would be hurt by the budget, and especially groups in urban Saskatchewan.

And they would take a delight in pointing out how tough the budget was. And you could tell how tough the budget was by the criticism coming from specific groups in urban Saskatchewan. These are in the main, groups that were associated with anti-poverty measures, community groups that were involved in trying to better the lives of the people they worked with and the communities they worked with in urban Saskatchewan. And whether it was funding for transition houses, I believe was cut from that budget, any number of measures, they took delight in pointing out, as sort of affirming for the people of Saskatchewan, just how tough they were.

This was also a useful device for them for focusing attention, or drawing attention away from areas where they were spending more. Members will recall that in 1986 the government also promised, I think it was a production loan for farmers, and were quite . . . Well what can I say? The production loan meant that the government was prepared to commit many more dollars for that sector of the economy. They also had money, incidentally, for other areas that they increased spending on. But as a means of drawing attention away from that, they singled out groups in urban Saskatchewan for special consideration.

(1630)

That budget was followed by a number of other budgets where government spending seemed to increase again. And one could, I suppose, say that the PC government of the day, the Devine government, did not have the will or courage or strength to stick by an effective, long-term deficit reduction program. And I know they would have found that difficult because their deficit reduction program did not contain, to my mind or the minds of the Saskatchewan people, the element, the basic element of fairness, that is required of budgets.

If you want to ask Saskatchewan people, or people in any jurisdiction for that matter, to make do with less, make do with less in order to provide for, in this case a balanced budget for the public good, if you want people to make do with less or to give up something on behalf of the public good, then I think all

those who are contributing in that way have the right to ask and have the right to expect that all members of the public, all members of society, will participate in that way. With the exception of course of those who can't, the poorest of the poor — people on welfare, the disabled, and people who are in special categories that prevents them from giving more because their lot in life is just so poor that they're unable to do that.

But the Tories seemed to take a different approach. In fact they'd pick out the poorest of the poor, single them out for special measures, and say, see that's our deficit reduction program and that's why it's working. But they were never able, they were never able in those successive budgets, in those budgets, to get the support of the Saskatchewan public because the Saskatchewan public did not perceive their budget measures to be fair.

Which I think stands in stark contrast to some of the budget measures that we put forward in the early '90s in our budget, Mr. Speaker — tough budgets, very tough budgets, but I think budgets that were characterized by fairness. That is to say, asking all Saskatchewan people, asking all the people in Saskatchewan, to contribute to the public good by reducing expectations of what it is that government might provide for them, Mr. Speaker.

But the Tories were not able to do that. They seemed to have a very strange set of priorities. The Tories seemed to have no money in the '87-88 budget for children's dental care, notwithstanding the fact that the children's dental plan was held up by other jurisdictions, not only in Canada but throughout the world, as an exemplary program of public administration designed to, in this case, reduce problems of children's dental health.

It was a model program, an excellent program, and also a very cost-effective program, and a program which put, I believe some hundreds of dental nurses to work in rural communities throughout Saskatchewan. The Tories got rid of the program, right? They said it was a way to save money; although the actual savings by going to the program that they used to replace it — that is to say, children must go visit their dentist — didn't really seem to provide any savings as such, or if there were savings they were negligible.

But at the same time, at the same time that the PC government was cutting back on programs for children's dental health, they seemed to find the money to put into the construction of rural hospitals. Whether or not there would be any patients to attend these rural hospitals didn't seem to be very important, Mr. Speaker. And that was because the Tories felt trapped to another curious, curious, or not so curious I guess but a very harmful public policy, and which seemed to be predicated on the notion . . . And I was reminded today, listening to the member from Melville in talking about how successive budget measures have in his view impacted the city of Melville, there seemed to be a sense of that as long as you look after Melville the rest of the world will take care of itself.

And that seemed to characterize Tory policy in the '80s — that as long as I get a hospital for my town, it will help me in my re-election chances and as long as we get that, nothing else

really matters. That's the important thing.

And I think that, in retrospect, is one of the most harmful aspects of public policy of the '80s. And that is what I would call an overwhelming need to play constituency politics to the exclusion of the overall politics of the province; that there's less concern about the public good than there is about the electoral chances of certain members in their constituencies. And that is a policy, Mr. Speaker, for which we are still paying today — paying today through interest payments on the debt we have, Mr. Speaker.

An Hon. Member: — It didn't work anyway.

Mr. Van Mulligen: — And it didn't work anyway. I mean in the final analysis Saskatchewan public was not fooled. Saskatchewan public was wiser than the Tories gave them credit for and they saw through what it was that the Tories were doing.

Even this so-called Fair Share program which the Tories hauled out in their last budget when they said that we're going to close down all the government offices in Saskatoon; we're going to move these government offices out to small towns in rural Saskatchewan. Even though it's a greater cost to the public as a whole, we think it's better. You know, it's going to help their electoral chances by seen to be giving a special help to specific constituencies.

The people in those constituencies says no, you have to think of the public good as opposed to the good of the sitting members, as opposed to the constituency politics. That's the thing that you need to turn your attention to, Mr. Speaker. That was something that characterized the Tories and, as I say, we are still paying for.

In the last budget that I participated in as a member of the opposition was the budget of 1991-92. This was the budget in which the PC government of the day made it clear that effective April 1 of that year they were going to harmonize the provincial sales tax with the goods and services tax.

As you know, just prior to 1991 the Conservative government in Ottawa took away the manufacturers and processing tax, I believe there was on certain items, and put into place a goods and services tax — the GST — of 7 per cent.

Then the federal government went after provinces to harmonize their sales taxes with this goods and services tax. On the face of it, without any further analysis, I guess it seems like a good thing. But when we started to examine it — when we started to examine it, two things came clear: one is that there would be a massive shift in tax burden off of corporations and onto the backs of consumers in Saskatchewan. That was one thing that became clear.

Secondly, to realize that the province would be realizing less revenue from the harmonized goods and services tax than it would be from its own narrowly based provincial sales tax, Mr. Speaker, because the money flowed directly from the tax to the government. But in the case of the goods and services tax, there was a big shift off corporations onto the backs of consumers,

whereas the government, as a corporation, as an entity, needed to concern itself with revenues — and we think it's important that you do that. You can't be very loosey-goosey about these things, as the Tories were in their years.

But nevertheless, it was for those two reasons that we opposed the harmonization of the goods and services tax with the provincial sales tax — because it meant a massive shift off the corporation onto the backs of consumers, and in the process the government would have less tax revenue at a time that the government was faced with burgeoning deficits, at a time the government needed to hang on to every dollar that it had, without incurring or increasing the deficits because it was getting to be a serious problem at that point.

And of course, as we found out shortly after 1991, once the books were opened up, we found that the problem was a horrendous problem — a problem that we are attempting to deal with, attempting to control, but is still a major, significant problem for us. I think that in this year's budget we are proposing to spend somewhere in the neighbourhood of \$750 million, I believe, on interest payments on the debt which was rung up during the Tory years.

Now I might, as an aside here, I might as an aside . . . I want to draw the attention of the public, Mr. Speaker, and not necessarily the members of the Legislative Assembly because the members of the Legislative Assembly know full well what the facts of the case are . . . But this was the rather curious comments by the member for Moosomin a few days ago and again during his intervention during the budget . . . or the throne speech debate, when the member for Moosomin somehow took the position that well, there was debt when they took over government in 1982 — “they” being the Devine PCs. There was a debt there and if they hadn't done anything the debt would have increased anyway. So there really wasn't any major increase in debt during the Devine years that resulted from any policies or actions by the Devine government; that there was somehow some miraculous increase from \$3 billion to \$15 billion during those years. And that didn't result from any conscious decision by the Devine government to increase the debt.

Well of course we know that's just . . . it just kind of happened, you know, even if they hadn't been there — any government — it would just kind of happened.

Well of course we know that's not the truth. But that's, I think, some kind of political lines that they were feeding themselves in the late '80s and early '90s as a means of trying to explain to their firmest supporters, their hard-core support, that the debt really wasn't an issue that they had any handling in or any dealing with and we could rightfully blame on the NDP or the Liberals or blame on the weatherman or blame on anybody but blame it on the Devine government.

Well of course we know that's not the case. We know that the debt, the total debt of the province was roughly, I believe, \$3 billion in 1982, and that debt was primarily a debt of the Crown corporations; that is to say SaskTel, SaskPower, where SaskPower borrowed money as they did to provide for the construction I believe in those years of the dam at Nipawin.

This debt to be repaid back by those people who purchase power from SaskPower — there's the people of Saskatchewan, the businesses of Saskatchewan. And then through your utility bills, you pay off that debt.

It's called a self-liquidating debt. Not a debt that the taxpayers have to take money out of pocket to pay for, but those who purchase electricity from SaskPower have to pay for. It's self-liquidating debt if you would. And that was the nature of the debt that we had in 1982. Not the debt occasioned by the taxpayers spending more than was being brought in in tax revenues and having deficits, but a self-liquidating debt in the Crown corporations.

That debt, Mr. Speaker, in the Crowns ballooned during the Devine years from 3 to \$5 billion, which is a curious, a curious happenstance when you consider the ideological mind-set of the Devine PCs and of the PCs now that they don't believe that Crowns should be doing anything, that there's no role for Crowns; that there shouldn't be a SaskPower, there shouldn't be a SaskTel.

We know of course what they thought about SaskEnergy, and they tried to privatize that. They did succeed in privatizing the Saskatchewan Potash Corporation. But notwithstanding their ideological zeal about not investing anything into Crowns, nevertheless the Devine PCs somehow managed to increase the self-liquidating debt in the Crown sector from 3 to \$5 billion.

The rest of the increase was an increase in . . . some was in debt liabilities, that is to say the construction of an upgrader. They borrowed money to build the upgrader and the government guarantees that debt. Although the government may not be out the money, the banks may be, the government guarantees that debt. So there was also a tremendous increase in that kind of debt during the 1980s.

(1645)

But the major increase in the debt came of course from the deficits which were rung up by successive PC administrations, starting with their very first budget, their very first budget in 1982. For the 1982-83 budget year, the PCs rung up deficits. That is to say every year — every year — they borrowed money; they borrowed money in the market-place to make up for the shortfall between what they were spending and what they were bringing in — what they were spending on health, education, highways, any number of things, and the money they had coming in through tax revenues.

So every year, every year they had a shortfall, and all these shortfalls, including the \$1.2 billion shortfall in the 1986-87 fiscal year which I spoke about earlier, all these shortfalls combined, I think, added up to about \$8 billion or so; \$9 billion. Where there was no shortfall in 1982, by 1991 we had an accumulated deficit or debt which the taxpayers are responsible for of many billions of dollars, Mr. Speaker. And that's the PC legacy.

And I might say, Mr. Speaker, that all those budgets had a real air of unreality about them. We were never very convinced that what they were putting before the Assembly reflected fact,

whether it reflected some fiction on the part of the government. We were never entirely satisfied. There always seemed to be a great divergence between what they said they were going to do and what the actual facts were. They never seemed to have a handle on it, Mr. Speaker.

And I was interested to hear in this context the attacks by the member from Melville on the New Democratic Party opposition from 1986 to 1991 that we would criticize the government of that day of not spending in the appropriate places. And I must say to the member, I think we're entirely justified given the information that the Devine government put before us and put before the public, which would always paint some rosy view of what our financial situation was, misleading Saskatchewan people and misleading the members of the Legislative Assembly about what the financial situation was. But that was the figures that you had to go on.

But I guess the thing that concerned me the greatest was their sense of priorities. Where they seemed to have money for some pet projects, but they didn't seem to have the money for what I consider to be important priorities.

So if the member is saying well, you were wrong to criticize the Devine government in any way, I would say, not so fast. I think we were right to criticize them on the elimination on the children's dental plan. I think we were right to hold them to account for that because at a time that they were cutting back with very little savings, if any — very little savings, if any — at the same time, they seemed to be finding millions upon millions and tens of millions of dollars for other priorities that they had, whether it's in health care or what have you.

And I spoke earlier of them being able to find the money to not only maintain hospitals that no one was using, but to put extra money into improving hospitals that Saskatchewan people weren't using. And they built new hospitals that no one seemed to go to, Mr. Speaker.

So I think we were right to attack them on their priorities. Those weren't the appropriate priorities in our view, Mr. Speaker.

Mr. Speaker, since 1991-92, budgets have taken on a different cast. I find that the budgets since the 1991-92 fiscal years have been realistic. I find that they've been more accurate in their forecasts. They have also — and I don't want to underestimate this for one moment — I think they have been very difficult budgets, difficult in the choices that were put before Saskatchewan people; difficult in what we were asking Saskatchewan people to support.

And we were asking them to support many things. We were asking Saskatchewan people to give up programs and services to which they had become accustomed. We were asking Saskatchewan people to pay more out of their pocket to the Saskatchewan government to support the services and the programs that were left, and to pay for some nebulous concept called interest on the public debt. That's what we were asking Saskatchewan people to do in 1991-92. We continue to ask them to do that.

And I must say, Mr. Speaker, out of this whole exercise, I am just tremendously proud of the Saskatchewan people for

standing by us through these years the way that they have.

Mr. Speaker, these were difficult budgets, very difficult budgets, and I well remember the anguish and concerns that people had about what we were doing. But I think Saskatchewan people came to understand very quickly that these budgets were, although difficult, they were also necessary to restore fiscal integrity in Saskatchewan. They knew that we were headed down, that we were headed into . . . and as it's been found out in recent days, that we were on the verge of bankruptcy.

Now I don't know if provincial governments can go bankrupt as such. I don't think that a provincial government would ever put up with that. I guess the worst that could happen is that the federal government would then begin to write the provincial budgets and tell you how to run your fiscal affairs.

But in any event, the government, the provincial government was, at that point, on the verge of bankruptcy as a province, Mr. Speaker, where we had indications that those who loan us money, those who buy our bonds — that is to say, they buy our word as represented on a piece of paper that we're prepared to pay back to them the millions of dollars that are outlined on the bond instrument — there is a real question as to whether any of those who were buying bonds would buy our word or buy our bonds about our ability to pay back in the future, Mr. Speaker.

And that was the real crisis that faced us in the early '90s, Mr. Speaker . . . (inaudible interjection) . . . From a hundred borrowers, I believe we were reduced to 20, because many of these borrowers have restrictions on what it is that they can borrow.

All provincial governments are given a credit rating by credit-rating agencies in New York and in Toronto and Montreal who assess the ability of provinces to be able to repay the monies that they have borrowed. And to give you on a graduated scale from excellent to insolvent, they grade you on your ability.

And many of those institutions or organizations that will buy your bonds or loan you the money, they will have criteria which makes it impossible for them to, for example, borrow money or loan money to organizations that have what's called a B credit rating. If you have an A credit rating they're prepared to loan you whatever monies that they want, but if you have a B credit rating then they may have bylaws. And in fact there's one group in particular that was the public servants of Saskatchewan . . .

An Hon. Member: — The city of Saskatoon.

Mr. Van Mulligen: — And the city of Saskatoon, but also the public servants of Saskatchewan and the public pension plan for the province and the public pension plan from Saskatoon. I think the city of Saskatoon pension plan outright prohibited the purchase of any bonds from any organization or institution or government that had a B credit rating such as Saskatchewan had. So the city of Saskatoon pension plan was prohibited from loaning money to the province of Saskatchewan.

And at the same time I believe that the public servants pension

plan — these are the public servants that work for the province — they have a restriction as to the amount of money that they can borrow from governments or institutions or organizations with a BBB credit rating.

But that was the circumstances and the times that we found ourselves in, Mr. Speaker. And I think Saskatchewan people understood that even if they didn't know all of the specifics, they understood the circumstances that we were in, they understood that the province's financial situation was in dire straits and that something had to be done. And when they saw what we did they said, well we don't like what's being done but you're doing it in a fair and balanced way, and that is something that we can support, Mr. Speaker. That's what the Saskatchewan people were saying.

Now it is really a pleasure to participate in a debate on this particular budget, Mr. Speaker. And it's a pleasure because for the first time we have a budget that provides a great deal of sustained good news, and good news across the piece, Mr. Speaker.

We had good budgets in . . . we had a good budget I believe, in — or a positive budget in 1995-96, but the expectations that we might have had in that budget year were quickly dashed by news from Ottawa that their calculations on equalization payments hadn't been quite correct, and therefore the Saskatchewan government owed Ottawa many hundreds of millions of dollars. Now that's not something that they told us before the 1995 provincial election; that's something that they held back after the 1995 provincial election.

Now why a federal government, a Liberal government in Ottawa would withhold that kind of information from the Saskatchewan people, and the Canadian public for that matter, until after the provincial election was over with, is something I just will never quite understand, Mr. Speaker, why that information was being withheld.

The only question I have, the only question I have on that whole business is, did any of you members of the Liberal opposition know about those cuts from Ottawa? And if you did, why didn't you tell Saskatchewan people? That is the question that will be asked, and I demand, needs to be answered at some point.

Because I tell you, I would love to have run the last campaign against what proved to be the only effective opposition party at that time — oh, maybe not that effective; I give some credit to the Conservatives as well, doing as well as they did — but against what were perceived to be the major opposition to the NDP, which was the Liberal opposition, and a federal Liberal government in Ottawa withholding information, major information, information that had major consequences for our budgeting and our finances.

That information was being withheld and my question is, sir, did you as Leader of the Liberal opposition in those days — no, he wasn't the Leader of the Liberal opposition in those days; someone else was the Leader of the Liberal opposition — but did you, did you as a member of that Liberal Party, were you made aware of what it is that Ottawa intended to do and intended to tell us after that provincial election campaign? Did

Mr. Paul Martin, did Mr. Paul Martin call you to let you know that this was coming, but that he was going to hold off until after the election campaign?

You know, that reminded me too much, too much of the old PC way of trying to fool people about what was really taking place with respect to provincial finances. And that question, I suspect, that question will at some point be answered. And I suspect that it will show one of two things, it will show one of two things. Either Mr. Paul Martin and the federal government let you know that this was coming and you asked him to hush it up, or you have absolutely no relationship at all with Paul Martin and you have no influence at all with the federal government in Ottawa. Neither one is much of a ringing endorsement of the Liberal Party opposite, Mr. Speaker.

But I suspect it's the first. You people knew but you weren't telling, because you feared the political and electoral consequences of letting the Saskatchewan people know after the election . . . or before the election was held, that Saskatchewan people were going to get dinged with something approaching \$250 million in equalization cuts, Mr. Speaker. That's not something that you told us at that time.

Mr. Speaker, I see it's close to 5 and I want to carry on, but I suggest at this point that we recess until 7 p.m.

The Speaker: — The hon. member has called the clock, and it now being near the hour of 5 o'clock the House will stand recessed until this evening at 7 o'clock.

The Assembly recessed until 7 p.m.

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