

The Assembly met at 10 a.m.

Prayers

INTRODUCTION OF GUESTS

Mr. Shillington: — Thank you very much, Mr. Speaker. It's my pleasure to welcome to the Assembly 23 students from Holy Rosary Elementary School in Regina, accompanied by their teachers, Mrs. Moski and Mrs. Chaskavich. I'll be meeting with them at about 11:15, I gather — 11 o'clock. I'll look forward to meeting with the students and discussing with them what they see here.

Hon. Members: Hear, hear!

Mr. Rybchuk: — Thank you, Mr. Speaker. It's my pleasure to introduce to you, and through you to this Assembly, a group of adult students from the Regina Plains Community College in Regina. They are eight in number, and they attend classes at the former St. Thomas School, soon to be named the Regina Friendship Centre.

They're seated in the west gallery, I believe, and are accompanied by their teacher, Ruth Quiring. I'll be meeting with them shortly after question period for pictures and refreshments. I hope your stay is educational here at the legislature, and I ask all members to give them a warm welcome.

Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Thank you, Mr. Speaker. It's a pleasure for me today to introduce to you, and through you to this Legislative Assembly, my mother and father from Hudson Bay, Saskatchewan — true pioneers, Mr. Speaker. They moved up into the north-east part of the province in the early 1930s from the southern part of the province. They're here with us today, accompanied by my sister, Peggy, my niece, Debbie, and her son, Chris. And I'd like everybody here to give them a warm welcome.

Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. I'm honoured to have not one, but two groups here today. I also wish to welcome eight students. These are adult students from the Regina Plains Community College, taking English as a second language, accompanied by their teacher, Maria Castaneda. I look forward to meeting with these students in about three-quarters of an hour.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Reductions in Saskatchewan Income Tax

Mr. Lingenfelter: — Mr. Speaker, my question is to the Premier, and it deals with promises your party has made to the people of Saskatchewan to cut the income tax of all Saskatchewan people by 10 per cent. And I have here a number of ads that set out very clearly . . . the member from Rosemont, at that time Mr. Dirks, promised to

reduce personal income tax by 10 per cent. A second . . . Mr. Hodgins, before he was elected . . .

Mr. Speaker: — Order, please. Order, please. The member can refer to other members by their constituency or their position, but it is not permissible to use names.

Mr. Lingenfelter: — Mr. Speaker, I am reading from newspaper clippings, and the names of individuals are mentioned. But I will refer to the constituencies. The member from Melfort stated in his ad, "A Progressive Conservative government will provide a 10 per cent reduction in provincial income tax." The now member from Prince Albert stated, "A Progressive Conservative government will cut income tax by 10 per cent." And others, the now member from North Battleford, member from Saskatoon, all stated that they would cut income tax by 10 per cent.

I wonder, Mr. Premier, if you can outline why you have broken that promise and commitment to the people of the province, and whether or not you expect people of the province to believe you, sir, when you make commitments to them in the future, when you've raised income tax a great deal in the past four budgets.

Hon. Mr. Devine: — Mr. Speaker, what the hon. member says is just not true. We have cut taxes . . . (inaudible interjection) . . . Well let me tell you. We have cut the income tax for low-income people. If you're making \$15,000 or less, your tax rate now is 50 per cent lower than it was when they were in power.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — If you're looking at \$30,000, it's 20 per cent lower than when they were in power. And we've done something else, Mr. Speaker. What we did is that we decided we were going to tax the wealthy, and we have got 97 per cent of the people who didn't use to pay tax at all paying income tax in this province, with big tax cuts for low-income people. And that's fair, and that's what the people want to see.

Mr. Lingenfelter: — Well, Mr. Speaker, your own budget document, on page 56, outlines indeed what has happened to a family earning \$30,000 a year. And what it says is that a family earning \$30,000 a year pays one of the highest income rates in the country. In fact, only families in Quebec and Newfoundland pays more than the families in Saskatchewan. And we have gone from being one of the lowest — third lowest in the country — to third highest in four years, and this is by your own document. Your own document states that. If you would care to read it on page 56, we are now third highest in personal income tax.

And I ask you, sir: how can people believe what you say when they see what you do?

Hon. Mr. Devine: — Mr. Speaker, the hon. member is looking at page 56, and if you go across the provinces, the taxes charged on people, we're the second lowest in Canada — the second lowest in Canada.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And no other province has the tax off clothes and tax off gasoline and the tax off utilities, except Alberta. And low-income people in this province have their mortgages protected; they've got the tax off all the things that they think that are essential; they've got interest rate protection, and when you add it all up in the province of Saskatchewan — and there's no premiums on health care — we're the second lowest in the country.

The member opposite forgets that we have lowered taxes for low-income people, and we have raised taxes for people who never paid tax before. Ninety-seven per cent of all the people who didn't pay tax in the province of Saskatchewan now pay some tax.

And I think that's fair, Mr. Speaker. The wealthy should be paying their fair share, and the low-income people should have their taxes reduced and sales taxes removed. That's exactly what we said we'd do, and that's what we've done.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, a question to the Premier, and it deals with the fact that the little chart that he reads leaves out the fact that the property improvement grant has been given away. That's not included in his chart and in his total. But if you would care to look at the income tax charged by you, sir, you will find that you are the third highest personal income tax on a family earning \$30,000 anywhere in Canada.

I say to you, you made a commitment to lower income tax, and you've raised it considerably. And I ask you whether, in all honesty, you expect taxpayers to believe anything you say when they see what you do?

Hon. Mr. Devine: — Well, Mr. Speaker, the people believe when we say we're going to deliver. We said that we would provide rural gas, and we delivered it. We said that we provide interest rate protection — we were the first in Canada — and we delivered it. And we said that we were going to take the tax off gasoline, and we did, and we delivered. We said that we were going to take the tax off clothing, and it's gone as of midnight last night.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — We said that we were going to build rural Saskatchewan, and we delivered. We said that we would protect farmers, and we have. We said we would not close uranium mines . . .

Mr. Speaker: — Order. Order, please. Order, please! I want to caution the members that calling one another liars in this Chamber is not permitted . . . When I'm on my feet, there's to be no talking. I hear the members very definitely calling people liars, and I'm going to ask that that cease.

Mr. Engel: — Supplementary, Mr. Premier, you said that we didn't make promises to cut income tax by 10 per cent. The ads are there. Every one of them said they cut the income tax. Everyone said your decision to impose a

cut . . . How does that relate in line with cutting income tax by 10 per cent if you make a decision to impose a flat tax?

I looked through the budgetary revenues on page 6, and there's no line in there about flat tax. Nowhere is there a flat tax in there. So the flat tax must be included in the income tax. Will you confirm that the government is taking \$107 million out of the pocket-books of taxpayers for flat tax?

Hon. Mr. Devine: — Mr. Speaker, the hon. member must agree that there were thousands of people that didn't pay tax at all in the province of Saskatchewan — thousands of them — wealthy people that didn't pay any tax. We put in a flat tax to get 97 per cent of them to pay their fair share of tax. At the same time, Mr. Speaker, we've cut the taxes for low-income people, people making less than \$30,000. They've got themselves a major tax break in the province of Saskatchewan, not only on clothes, not only on gasoline, not only on interest rate protection, but in terms of income tax.

And if he wants to look at the changes and compare them across the country, you can look at places where they charge large premiums for health care. There isn't any of that in the province of Saskatchewan. And for low-income people to receive low taxes, no tax on clothes, no tax on gasoline, no payroll tax, no taxes with respect to utilities, and then see that the wealthy are paying their fair share, it seems to me, my friend, that they'd say, now that's reasonable because I want those wealthy to pay, and I've seen major cuts for low-income.

You talk about a 10 per cent cut in tax. Mr. Speaker, we've had a larger than a 10 per cent tax cut for low-income people, much better than we even thought we could do. When we opened the books and said it's possible to help low-income people and home-makers and seniors, we have, and we've reduced it significantly. You won't see any better treatment for seniors and home-makers anywhere in this country except in the province of Saskatchewan. And we're proud of that fact, and people are saying this morning — right on.

Some Hon. Members: Hear, hear!

Mr. Engel: — Supplementary. Mr. Speaker, I didn't ask for a speech. I asked for a straight answer. I didn't ask for a speech; I asked for a straight answer. You lowered the boom. In 1984 the income tax was 554; in '85, 625; in '86, 698 million. That's lowering the income tax by 10 per cent. Is that number, 698 million, does that include 107 million flat tax? That was my question. Yes, or no? Just one word.

Hon. Mr. Devine: — Mr. Speaker, we have raised taxes for wealthy people so that they pay. And he says the total is going up. The total tax is going up because the province is growing like it never grew before. We've got over a million people. We've got 500,000 people in the work force.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And when you see projects being

built, and you see upgraders being constructed; when you see paper mills going in, when you see the kind of construction in rural Saskatchewan, a natural gas distribution system, individual line service — those kind of projects are real, and people pay income tax when they work.

In the province of Saskatchewan, we've never seen a work force as large as it is today. You've never seen so much investment, and yes, the income tax will rise because there's more people working and more people paying tax. And that's exactly the way you want it.

Some Hon. Members: Hear, hear!

Mr. Engel: — Supplementary, Mr. Speaker. With all your vain babbling, are you saying you don't know what the impact of flat is going to be? I want to know how much the flat tax is going to impact the taxpayers of Saskatchewan. How much is it going to be? Is it going to be 107 million, or don't you even know what that amount is going to be?

Hon. Mr. Devine: — Mr. Speaker, I know that by our tax reform, a tax reform that has been encouraged across the country, wealthy people in Saskatchewan that didn't used to pay tax at all are now paying taxes. That's what I know. And you must agree with that. You'd be the first person to say I think those wealthy should at least contribute something to the tax base here. They are, in the province of Saskatchewan, and with our tax reform 97 per cent of them that didn't used to pay tax are now paying tax, and it's about time.

1985 Deficit

Mr. Sveinson: — A question, Mr. Speaker, to the Minister of Finance, and it involves debt management in the province of Saskatchewan. By way of background I'd like to quote from the 1985 budget speech:

Let me begin by saying that we will not finance these priorities (and that was government programs) with a massive increase in the deficit. It is our firm objective to finance these measures in a manner involving our commitment in managing the debt.

I would ask the member from Qu'Appelle, on page 3 and also on page 22 in the confusing document he tabled in the legislature last night, it quotes two figures for 1985 debt. And going to page 3, the first figure is 595 million — and I can quote from the document. It says:

The combination of revenue decreases and our additional assistance to farmers will result in a 1985 deficit of \$595 million.

If we go to page 22, we will see that the actual 1985 deficit — "\$379,796,000." I ask the minister: is this part of your debt management program to confuse the people of Saskatchewan about the actual debt in the province for 1985?

Hon. Mr. Lane: — Well, Mr. Speaker, there's only about 10 people in the whole province confused about the

budget, and they happen to be sitting opposite. The same individual last night that didn't know that a 25 cent tax on cigarettes is 1 cent a package for a pack of 25 is going to have difficulty with this budget. And I think we have to accept that.

Mr. Speaker, we have indicated what the deficit would be. We did not predict, nor are we predicting, a drought this year. We don't expect one. I know the members opposite hope for one, but we don't expect one. We didn't predict the drought last year. We made it abundantly clear to the farmers and to the people of this Saskatchewan that we would try as hard as we could to try and help them out in difficult times. We responded to the drought situation. Most farmers believe we're trying. And that's what they can expect from this government, is a sincere effort to try and help them out.

And that's why the deficit was higher — we made those commitments. And we're not going to apologize if there are problems this year. We'll try and respond the best we can again. And we've done that every time, and we will continue to do that. And that's why the deficit was higher than we had estimated. But we're not going to apologize as a government for trying to stand behind the farmers and help them out in difficult times.

Some Hon. Members: Hear, hear!

Mr. Sveinson: — What was the actual debt in 1985? You've got two figures in this document. What was the actual deficit in Saskatchewan in 1985?

Hon. Mr. Lane: — I told you what the deficit . . . Now don't get mistaken as to what is counting when you're refinancing because that shows up in a budget. You'll have to figure that one out. I told you what the deficit was last night. We predicted about 595 million. That's what I said what it was.

The hon. members say it's \$2 billion cumulative deficit. What they don't tell you: if they had have simply put all of that money into uranium, and potash, and into the money-losing P.A. pulp mill, and whatever else — the malting plant — that if all of those investments had have been put into a credit union at interest rates of prime plus one till 1981, and then when interest rates went up if they had have taken a guaranteed investment certificate like many people, many of the average taxpayers did in 1981, and put that into a guaranteed investment certificate available to everybody, Saskatchewan today would have an accumulative surplus of nearly \$700 million, Mr. Speaker.

Some Hon. Members: Hear, hear!

Elimination of Sales Tax

Mr. Koskie: — Thank you, Mr. Speaker. I'd like to address a question to the Premier. Mr. Premier, I have here a copy of your commitment, endorsed — an advertisement with your picture on it during the last campaign. And I'll tell you what it says, Mr. Premier, and I'll tell the people of Saskatchewan what you promised them, 'eliminate the 5 per cent sales tax', and you say the complete elimination

of the sales tax in its first term of office.

Mr. Premier, that was your basic commitment to the people of this province, and I say if you look at the budget last night you have not only not kept that promise, you have increased in collecting E&H tax in the amount of \$386 million. I ask you, Mr. Premier, was this not a sincere and honest promise to the people of Saskatchewan? And will you admit that you didn't keep it? And will you agree that the people of Saskatchewan are justified in not trusting you again?

Hon. Mr. Devine: — Mr. Speaker, we have continued to reduce tax since 1982. We have taken the tax off clothes. We have the tax off gasoline. We have taken the tax off utilities. We have lowered income tax for low income people. And yes, Mr. Speaker, we did raise taxes for the wealthy because they weren't paying at all in the province of Saskatchewan. We now have 97 per cent of them contributing to the tax base in this province.

We will continue to protect low income people, to protect farmers, to protect families, to protect home-makers, to protect single parents, to protect those small businesses that were not protected when interest rates were 22 per cent.

I ask the member opposite: where was the NDP when the interest rates were 22 per cent? Where were the big promises? Where were the interest rate protections? Nothing; not a thing. We protected interest rates and we cut taxes and we cut sales taxes, and I can tell you, Mr. Speaker, the people of Saskatchewan will remember that for a long time.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Supplemental, Mr. Speaker. I'd like to ask the Premier again: could he clarify to the people of Saskatchewan whether in fact the advertisement that he put out during the last campaign, a very major promise in my view, which says, in fact, that the complete elimination of the sales tax in the first term of office. Did you or did you not make that and will you indicate to the people of Saskatchewan: can you be trusted in the future?

Hon. Mr. Devine: — Mr. Speaker, when you talk about trust and about keeping your word, I want to give you an example of the kinds of things that we will see in the province of Saskatchewan. I'm reading from the *Pipeline* magazine that happens to be in the oil patch. The Leader of the Opposition says this . . . (inaudible interjection) . . . You don't want to hear this. Well you're going to hear it anyway.

The Leader of the Opposition says we do believe in generous incentives and we have no objection . . .

Mr. Speaker: — Order, please! Order. You asked a question. The member is answering. Give him the opportunity . . . (inaudible interjection) . . . Order!

Hon. Mr. Devine: — Mr. Speaker, the question was with respect to trust. Okay. Trust . . . (inaudible interjection) . . . It was with respect to trust. Mr. Speaker, this article quotes the Leader of the Opposition as saying he believes in oil

royalties and big incentives. That's what it says. It quotes. You take this article and it says the NDP would break all tax royalties and they'd cancel them. They don't believe in them. So they're running in Regina and they say they don't believe in tax royalty breaks for the big oil companies. When they're in my riding and publishing in the *Pipeline*, they say: we do believe in generous incentives, and we have no objection to royalty tax holidays.

Well, Mr. Speaker, they can't have it both ways. People don't believe you. They don't believe you because you say one thing in town; you say something else in the country. And people know that all across the province. They kicked you out in 1982 because they no longer trusted you and they no longer believed you. You quit listening, and they still know that.

Some Hon. Members: Hear, hear!

Mr. Koskie: — A very simple question, Mr. Premier. And I want to ask you, and I want you to direct it because here is an unqualified promise that you made to the electorate during the last campaign: the complete elimination of the sales tax in the first term of office. I ask you, Mr. Premier, did you indeed make that promise to the people of Saskatchewan? Have you kept that promise, and why should they trust you in the future?

Hon. Mr. Devine: — Mr. Speaker, we have been cutting taxes since 1982, and we continue to cut them. We take the tax off gasoline; we take the tax off clothes; we take the tax off the utilities. We have protected people against high interest rates, and we have reduced the tax burden, and particularly for low-income people. And we have never stopped cutting taxes for ordinary Saskatchewan families. And we've cut them and we've cut them and we've cut them. And last night we made another big move to reduce the sales tax in the province of Saskatchewan. We have never stopped reducing the sales tax burden on Saskatchewan families, and particularly for those that need the help, Mr. Speaker. And we will continue to cut the sales tax.

I didn't see any sales tax cuts by the previous administration. They all went up. Income tax went from 31 per cent to 56 per cent, or 51 per cent. Sales tax was going up all the time. They had sales tax on clothes, and they had sales tax on gas. They had sales tax on utilities, and they took from people who were poor. People who were very, very poor and somebody would die, they'd have succession duties, so they taxed the widows and the orphans. They would tax people at a time of death; that's what the NDP did. They had sales tax on everybody and everything. They would tax people at a time of death. They would tax orphans. They would tax widows. And if you couldn't pay the tax, Mr. Speaker, they charged you interest on it.

Mr. Speaker: — Order! Order, please.

Mr. Koskie: — Mr. Premier, obviously I would be uneasy as you were when you were answering this question because you have deceived the people of Saskatchewan, and they don't trust you any longer. I want to ask you, when you imposed that most intelligent budget on the

people of Saskatchewan last year and you laid to them \$107 million in flat tax, was that a commitment of reducing taxes on the ordinary Saskatchewan people?

Hon. Mr. Devine: — Mr. Speaker, I don't know how many times that I have to go over this with the member opposite. We have cut income tax for low-income people. If a family makes \$15,000 or less, the income tax has been cut by 50 per cent. If they make 30,000 or less, the tax has been cut by 20 per cent. And we did raise taxes for the wealthy people. All those folks that never paid tax before now contribute to the tax base in the province of Saskatchewan because of the flat tax. We still reduced the tax burden for low-income people because they don't have to pay tax on clothes; they don't have to pay tax on utilities like they did under the NDP; they don't have to pay tax on gasoline

Mr. Speaker: — Order. Order, please. Order! I'm going to caution the member for Assiniboia-Gravelbourg. He has hollered consistently through this whole question period, and I would ask you now to maintain a little silence while the question is being answered.

Mr. Sveinsson: — Mr. Speaker, I would suggest that the levels of deception, the index of deception, runs high on both sides of the House. I think it sort of leans to the NDP as far as the most aggressive measure.

By way of a supplementary, Mr. Speaker, I would like to suggest to the Premier that his own estimates indicate that individual income taxes in the province are estimated at rising by \$73 million in 1986-87. It does not support your argument that families in this province will be paying less income in the next year. How do you explain your own estimates, Mr. Premier?

Hon. Mr. Devine: — Mr. Speaker, when you have more families and population growing, and more people working, there's more tax collected. I mean, if you had twice the population, you will have twice the income tax collected, and the sales tax. I mean, it's not that difficult to figure out that when your population is growing, and you have more families working and a larger work-force and they're all contributing, that the tax collected by the province increases.

What I'm saying is, they don't pay any tax on clothes. All of them. All 500,000 people in the work-force, everybody else in Saskatchewan, doesn't pay tax on clothes any more. They don't pay tax on gasoline, and they don't pay tax on utilities. But the tax collected is going up because the population is increasing and we have more people in the work-force. So that isn't too hard to put together.

ORDERS OF THE DAY

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

The Assembly resumed the adjourned debate on the proposed of the Hon. Mr. Lane that the Assembly

resolve itself into the committee of finance.

Hon. Mr. Blakeney: — Mr. Speaker, when I adjourned last night, I had made some preliminary comments on the budget. I had not at that time had an opportunity to examine the financial data which supported — or in this case, failed to support — the budget. But I do want to make some extended comments today on some aspects of the budget.

First I want to talk about not what was in the budget, but what was not in the budget speech. I think the people of Saskatchewan were surprised that some pressing problems of Saskatchewan were not referred to in a document which was supposedly an economic plan for the future. It supposedly dealt with the economic problems of Saskatchewan and laid out the solutions offered by the government opposite. But many things in it were unbelievable, and it was unbelievable, having regard to the fact that it purported to be a plan, that it did not contain some other things.

At a time when the Mulroney government at Ottawa is relentlessly and unilaterally cutting back on crucial funds for hospitals, medical care, and post-secondary education; at a time when the Mulroney government is going to cost the people of Saskatchewan \$100 million a year in those funding cuts, is there any mention of this item in the budget? There is not.

Any mention of the Mulroney government's increase in the federal sales tax, or the federal income tax, or the farm fuel tax? No mention, no. Any recognition of, or opposition to, the Nielsen tax force report's proposals which would spell disaster, or near disaster, for Saskatchewan agriculture? Not a word.

The message this budget sends to Ottawa is a clear one. It says, in the words of the Premier: keep up the good work, Brian. That's what he says, and that's what is repeated by the Minister of Finance in his budget.

Well, Mr. Speaker, that is not the message that the people of Saskatchewan want sent to Ottawa. They want a provincial government that will vigorously oppose, and not supinely accept, federal cuts in medicare and hospitals and education. They want a provincial government which will vigorously oppose, and not meekly accept, the disastrous proposals set out in the Nielsen task force report; a provincial government that will fight for Saskatchewan farmers; a provincial government that will stand up for Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Unfortunately, in this budget they got the words from a government which will not stand up for Saskatchewan at Ottawa, but will say only, keep up the good work, Brian.

And I want to turn to a comment on the deficit contained in this budget. In 1982 the then minister of Finance, the member for Kindersley, stated that it was the Devine government's policy to balance the budget over the four-year life of the government. That's what they said when they came to office. That was what their first budget

said. That's what they said they would deliver and, Mr. Speaker, they have not balanced it once.

They have not managed in five budgets to come even close to a balance. The member for Kindersley failed. He brought in four consecutive deficits, and according to last night's budget those first four produced a cumulative deficit of \$1.5 billion.

Each of these were straightforward; the process was always the same. On budget night the government estimated its deficit and said — I don't know whether sincerely or not — the deficit will be so many hundreds of millions of dollars. And at the end of each year they admitted it was more. They hadn't quite guessed it right, and it was more. And the accounting and reporting were conventional and straightforward and easy for the public and the press to understand. They at least didn't fiddle with the books.

This year something has changed. Oh sure, the minister tells us that the budget deficit will be \$389 million. But I said anyone who believes that will believe in the Easter bunny. He is engaged in some very creative accounting. To be blunt, this budget in accounting terms is flimflam.

He doesn't count in his expenses the \$158 million he's borrowing for his gimmicky property management corporation to pay for capital projects. Let me talk about this a little bit. I invite members to take their *Estimates*. I invite them to . . .

An Hon. Member: — I've got it.

Hon. Mr. Blakeney: — All right, the member opposite says he's got it. I ask him to turn to page 18 and see what is budgeted for university buildings. Last year, \$8.4 million; this year, zero — zero. See it on page 18. Turn for parks. At page 73 you will see, last year budgeted for parks, for capital construction, \$4.2 million; budgeted for parks this year, zero — zero. Let us turn to health. Let us turn to health, Mr. Speaker, and look at page 52. And you will see that last year budgeted for capital construction, \$36.9 million; this year budgeted for hospital construction, zero — zero.

Now, Mr. Speaker, we know that money will be spent for hospital construction. We know that money will be spent for park construction. We know that money will be spent for university building construction. Why isn't it in the budget? And I will tell you why it isn't in the budget — because they propose to use non-budgetary moneys. They propose, instead of using tax moneys, to go out and borrow all of the money they're going to use for building university buildings, all of the money they're going to use to build parks, all of the money they're going to use to build hospitals.

Now they say they're going to do it with this corporation of theirs, the Saskatchewan property management corporation. And obviously if they were funding the Saskatchewan property management corporation out of the budget, it would be a mere difference in administration. But I look at the expenditure list, and there is no money there for the Saskatchewan property management corporation.

So I ask you, Mr. Speaker, and all members of this House: if they're going to spend \$50 million on hospitals, and they haven't a penny in their budget, and then they say it's going to be done by the property management corporation, then we say, where is the property management corporation going to get its money? There's not a penny in the budget. Then we know that compared with previous budgets, this one is flimflam — this one is flimflam.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — He hasn't counted this 158 million he's borrowing for his property management corporation. He hasn't counted the \$100 million that he is borrowing for the agricultural and commercial equity corporation. And I invite members to look at what's going on there. Just see what is being done here.

They are borrowing \$100 million, probably doing it all at one table. They're getting their bank to lend them \$100 million. They're using that money to buy shares in an agricultural corporation. They're then buying lands which have been owned by this province — some of them since 1930 — for \$100 million, and they're saying that's income, income this year. That's exactly what they've done, and they wonder why people are suspicious about the numbers they're putting out.

I will say this for the member for Kindersley. At least he put out numbers which you could more or less believe. But I say to the member for Qu'Appelle-Lumsden, this budget, in terms of its believability, is a wash-out, flimflam, hocus-pocus.

I invite anyone to look at page 10 and explain to me how this government is going to get \$240 million from the Saskatchewan Liquor Board. Mr. Speaker, this is a very large sum of money which ought properly to have been explained in the budget address. It was not. Let me quote for you what they're claiming they're going to get from the Liquor Board. They said for the year ended March 31, 1985, they would get \$71 million; for 1986, they're going to get \$149 million; and for 1987, \$240 million.

Now, Mr. Speaker, we all know that the Liquor Board has never made more than \$120 million in its history.

An Hon. Member: — In your history.

Hon. Mr. Blakeney: — And yours. In any history, of any government, and yet these people say they're going to get 240 million in one year. Do you believe that?

Well they're going to get it only be selling off assets, only by selling off assets yet again. And I say to you, Mr. Speaker, the proposition of the government opposite that you can sell off assets, take all the money into revenue in one year, and claim that that is appropriate revenue on which you can build long-term investment, long-term expenditure, is flimflam and will come back to haunt any future government of Saskatchewan which has to deal with this budget.

So the deficit, I say to you, Mr. Speaker, is not \$389

million, but using the same method of calculation used by the member for Kindersley, the last minister of Finance, would be closer to \$700 million.

(1045)

And I would invited anybody to analyse the three or four items that I have indicated and suggest to this House why they should be counted as revenue when they have never been counted as revenue before; why they should say this year, and this year for the first time in 40 years, that money spent on building of university buildings is not a drain on the public, that money spent on building parks is not properly paid for out of taxes, that money spent on hospitals is not properly paid for out of taxes. This is what they're saying. I say it is bad policy, and I say it deceives the people of Saskatchewan.

Mr. Speaker, the members sitting on the government side of the House, and the Minister of Finance, may feel he can explain his numbers to the people of Saskatchewan. I know one thing is true: he will not be able to explain them to the bond-rating agencies. They have already caught up with him. They have already lowered the credit rating of this province, and this budget will lower it further — lower it further on two counts: not only because of the massive deficit of close to \$700 million which it provides for, but also because they see a government which is now trying to hide the deficit by flimflamming the figures.

That always disturbs anybody in the credit business. If you're having trouble, and you put it down, and put it so that everyone can read it, it engenders at least confidence that you're not trying to deceive the public or yourself. But when you start flimflamming the books, and for the first time for 40 years decide that hospitals are not a budgetary expense, that university buildings are not a budgetary expense, that parks are not a budgetary expense, then you know that we have government which is trying to deceive the public and, regrettably, is probably also deceiving itself.

So when we add up the real numbers, we find that the figures show a deficit of close to \$2.2 billion. It's interesting. This can't be hidden when you look at the borrowings. Because while you can claim that it doesn't cost tax money to build a building, it certainly costs money to build a building. And if it isn't tax money, it's got to be borrowed money. And I note that they have left out the table, financial debt indicators, which they used to put in the budget speech and budget papers. Last year they put that in at page 32. This year they presumably drew it up, didn't like the look of it — small wonder — and left it out — and left it out. Another indication that they don't want to level with the people of Saskatchewan.

May I tell them they won't be able to similarly fail to give the facts to their rating agencies, and our credit rating will be further impaired. These people, Mr. Speaker, promised to give us business-like government. They have given us government which is giving business a bad name.

Now, Mr. Speaker, I turn now to who profited and who did not profit from this budget. One good test of a

government, and a good test by which to judge a government and a budget, is to find out who are the winners and who are the losers from its policies. Now where does the PC government put its priorities? Who wins, who loses by this budget?

Well the winners are pretty clear. The big business friends of the government opposite — they've done nicely. Peter Pocklington, the Alberta millionaire, gets \$10 million. Manalta Coal has already got their \$145 million in guarantees. Weyerhaeuser — yes, indeed — Weyerhaeuser proposes to get \$248 million with no repayment terms — no repayment terms. And we heard the Premier already acknowledge that yesterday.

Members opposite have not yet been willing to disclose the terms on which they are lending \$248 million to Weyerhaeuser. And members opposite suggest it's not being lent. That's a remarkable view. If you have a house, and you sell the house to somebody, and he doesn't give you any money but he gives you a promissory note, are you not lending him money? Of course you are.

And when you sell a pulp mill, and the buyer doesn't put up any money but gives you a promissory note, are you not lending him money? Of course you are. And I think it is only right and fair that the public know what the terms are. And the government opposite has been unwilling to explain either the payment terms or the rate of interest.

So these people are doing quite nicely. A very large number of people in Saskatchewan would like to buy public assets if they could buy them by giving a promissory note which did not contain any obligation to repay, which has interest payments which are undisclosed.

Look at other people who are winning from this budget. The bankers and the bond dealers must be fairly licking their chops at the prospect of a massive \$1.6 billion borrowing program out of last night's budget. Two hundred million in interest payments — 200 million in interest payments are being budgeted for.

And just a small item, but I think it is indicative — I invite members to look at page 47, and they will see that the fees and commissions which we have to pay to borrow money has gone up from \$4 million to \$9.5 million — and extra \$5 million in fees and commissions to the bankers and the bond dealers simply to gather in the money that is needed to finance this government's programs which they're unwilling to finance other than by borrowing.

Here we get a government which, when it has to pay an extra 5 million in fees — this doesn't deal with interest, just the extra commissions — is a government which is unwilling to manage its affairs in any appropriate way.

Well those then are the winners. Those then are the winners. There are some who have lost by this budget, some who have lost out because of the PC government's policies. The Minister of Finance has clearly indicated that senior citizens aren't doing too well. He has cut the Saskatchewan income plan, the money for that, which provides the supplement for incomes to some of our poorer seniors. He has cut the funding for the senior

citizens' home repair program. The number of dollars in the budget is less for that.

And the young people and students, they are not doing too well. There's been a sharp cut in the Access youth employment program. The students in industry program has been eliminated altogether. There's cuts in both staff and funding for the technical institutes at Kelsey, Wascana, and STI.

I see members looking puzzled. Look at the budget. Look at the numbers in the budget for Advanced Education, and you will see that there are fewer dollars and fewer staff for STI, for Kelsey, for Wascana Institute.

Big business is a big winner, but seniors and young people haven't done so well. And what about those who need special education services? Surely a caring and compassionate society must give particular attention to their needs. But this is not a compassionate government, and it's not a compassionate budget.

There were cuts for special education. I invite anyone to look at the book. The minister and his colleagues can boast all they like about health care, but the nurses don't believe it; they aren't convinced. And the public don't believe; they're not convinced. And when they see this budget with large cuts in the Department of Health, they'll be even less convinced.

An Hon. Member: — What cuts?

Hon. Mr. Blakeney: — Let me tell you. The member opposite asks: what cuts? Well, there are staff and funding cuts for the children's dental plan. There are staff and funding cuts for mental health services — and deep cuts — 35 less people in mental health. There are staff and funding cuts for the drug plan and for northern health services.

With respect to the Department of Health, sure, there are cuts for children's dental plan and mental health services and the drug plan and northern health services, but there are not cuts everywhere. I noted there were extra staff for the Lakeside Home at Wolseley. I thought it was, shall we say, a strategic increase in the budget in the face of sharp cuts for other portions of the Health budget.

Mr. Speaker, across Saskatchewan today, as across all of Canada as a whole, more and more people are realizing the fragility of our natural environment and the need to protect it. For while we have inherited the world from our parents, we only borrow it from our children. And I was therefore surprised and disappointed to see that this budget cut the amount of money available to deal with water pollution, cut the amount of money available to deal with air pollution.

I noted in the Department of Labour that there was a cut in safety services. And I recalled the death of Polly Redhot, and I recalled the coroner's inquest saying there should be more staff to deal with safety problems in the Department of Labour; and I see this budget has cut that budget.

I was surprised and shocked when I saw the budget's

approach to the needy and to the justice system. Because of the PCs' policy failures, the social assistance case-load continues to climb. There are more and more people on welfare — 60,000 people and more in this province dependent upon welfare — and yet the budget provides less money for social assistance this year than last. That's either unbelievable or unbelievably callous. I suspect it's yet one other item in this budget where the figures are not to be relied upon.

And in the Department of Justice we have cuts for law reform, cuts for human rights, cuts for money to compensate victims of crime, but there are many aspects of the Department of Justice where there are not cuts. There are increases for the P.A. Correctional Centre, increases for Pine Grove Correctional Centre, increases for the Regina Correctional Centre, increases for the Saskatoon Correctional Centre, increases for the RCMP. That's the PC policy in a nutshell — jails, not justice; and jail, not jobs.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Well, Mr. Speaker, that's not the policy the people of Saskatchewan want the government to follow. The people of Saskatchewan are compassionate; they want justice; they want people to have jobs; they don't want to pay to support them in correctional institutions. They want these people to have an opportunity to work and pay their own way.

I return, Mr. Speaker, to highways. It's very, very clear from this budget that anyone who drives on a highway is a loser. The total highway construction budget, which is \$10 million less than it was two years ago, two years of wear and tear, two years of pot-holes, two years of continuing need to construct new highways, two years of inflation, and we have less money for highway construction than we had two years ago.

I begin to understand why the minister is being contested for the nomination in his seat — the Minister of Finance is — by a rural resident who says he is contesting the seat of the member for Qu'Appelle-Lumsden because the government is doing too little for highways.

This budget provides —and I want to underline this, Mr. Speaker — that the Department of Highways will have 100 less employees — 100 less employees. Well, the member for Wilkie, Jim Garner, lives on. More people are to be transferred to the private sector, and there are going to be more pot-holes and more problems. I heard the highway system in this province described two or three weeks ago as like a golf course, 18 holes to the mile and a red flag at every hole.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Well, Mr. Speaker, there are other winners in this budget. The Deputy Premier is also the Provincial Secretary, heretofore a tiny department. But he has increased his administration staff by 57 per cent and his administration budget by 200 per cent. The increase is presumably to finance his extensive travels about the world. I don't know whether the initial staff is to process

the travel vouchers or what other purpose they may be performing for the Deputy Premier. But he is certainly another winner.

And so this budget clearly shows who wins with this PC government and who loses. And by that standard, by that test, this budget stands condemned by the people of Saskatchewan; this budget stands condemned by every thinking person who has had an opportunity to study it and to see what impact it will have on Saskatchewan society.

Well, Mr. Speaker, the government has outlined its program in the budget. It's a big disappointment, just as this PC government has been a big disappointment for the people of Saskatchewan.

(1100)

This government raised hopes; dashed hopes. It raised expectations; those expectations were unfulfilled. It made promises; it broke promises. For too many farm families, for too many working men and women, for too many people in too many communities right across this province, the Saskatchewan dream has turned into a PC nightmare.

And that's why Saskatchewan people have concluded that they simply can't afford four more years of this PC Devine government.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Saskatchewan people know they have a first-rate province, but they have a third-rate government. They know we have seen tough times before, but they're optimistic about the future of this province. They know that by working together we can get Saskatchewan working again. By working together we can do it ourselves. We don't have to spend our tax money on the Peter Pocklington of this world. We can do it ourselves. By working together we can make the Saskatchewan dream a reality; make the future of Saskatchewan a better, brighter future for the people of this province.

What it takes is a government with courage and compassion and determination, the determination to implement policies for people — not PC policies by polling, not PC policies for the privileged — but policies for people. New Democrats know that by working together the people of Saskatchewan can get Saskatchewan working again, working for farm families and working for rural communities; working for ordinary men and women, for young people, our most valuable resource; working for small business right across Saskatchewan. And they're a dynamic and creative part of our economic sector. When Saskatchewan small business prospers, Saskatchewan prospers. They did before, and we believe that the circumstances by which Saskatchewan small business prospered in the past can be re-created. They can have a good looking bottom line again, and when that happens, they will expand. They will hire more people, and more and more Saskatchewan people will join in the Saskatchewan dream.

Mr. Speaker, the PC view of the future is a narrow one, cramped. There's only room in their vision for the successful, for those at the top. But the Saskatchewan dream is broad, a vision of a better, brighter future for all Saskatchewan people; and a New Democratic government will get Saskatchewan working again. We will get Saskatchewan working again by implementing policies for people, by fair taxation. There will be a refund of the unfair PC sales tax on used cars and trucks, a repeal of the unfair PC flat tax. There will be a restoration of property tax relief. We will work with local governments to eliminate the burdensome municipal business tax. We will provide jobs and opportunities.

A New Democratic government will make jobs and opportunities for all the people of Saskatchewan the top priority of this government. And we will do it. And we will do it, Mr. Speaker, not by moving massive millions to those who already have, in the hope and expectation that they will provide jobs for those who do not have jobs; we will do it by moving money to people who do not have the money, who will spend that money and who will thereby generate economic activity which will be enjoyed by all of the people.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Our philosophy is very different from that of members opposite. I ask people in this House: how many times have you known it when people at the top of the economic ladder were wealthy and people down below were in real trouble? Do you know any time like that? Do you know a time when unemployment was rising rapidly but major companies were making record profits? Sure you know a time like, because it's now.

And do you know, conversely, do you know a time when working people and farmers had good incomes and major corporations were not making money? You don't know, because that is not the way it works. When working people and farmers have money, everybody has money. So the way to get the economy rolling is to see that working people and farmers have money. They will then see that everybody has money.

Members opposite believe in the trickle-down theory; give money to those who have, and somehow there will be something left for those who have not. I think John Kenneth Galbraith dealt with that most effectively. He says, (it's not the trickle-down theory, but the horse and sparrow theory), "Feed enough oats to the horse and there's bound to be something left for those at the bottom of the scale." That's Galbraith's story. And I think it graphically illustrates, graphically illustrates the approach to government of members opposite.

They have announced, yet again, another multimillion-dollar assist to this or that major business without dealing with the problems of ordinary people, without restoring property tax relief, without even refunding the unfair tax on used cars and trucks which they collected.

Well, Mr. Speaker, a New Democratic government will create jobs for ordinary people. We will, for the

small-business sector, offer long-term guarantees of stable interest rates for Saskatchewan small business. There will be a Saskatchewan-first policy — contracts for Saskatchewan business, jobs for Saskatchewan people — when tax money is spent. There will be fairness and honesty in the awarding of government contracts. There will be jobs from a planned building boom, jobs for today by building the assets we need for tomorrow — hospitals and nursing homes and highways and the things we all know we need.

There will be jobs through a vigorous housing program, and I'll return to that in a moment, Mr. Speaker. Meaningful jobs and career opportunities for young people. Jobs by developing our resources, not for the benefit of big corporations, but for the benefit of all Saskatchewan people. Resources like potash and forestry.

But a New Democratic government will be committed to protecting and strengthening farm families and the family farm. Farm families and the family farm have been the basis of our economy, the basis of the unique Saskatchewan way of life, by providing real long-term protection from the pressures of input costs, a provincial government can do something. And we will do that. Our government will do that as we have done in the past, by providing property tax relief. We will reduce the cost of farm fuel by a minimum of 32 cents a gallon; we will reduce the cost of fertilizer and chemicals.

Farmers are telling us that their two biggest problems are these: input costs and commodity prices. They don't want more debt. They don't want more debt. They don't need it. They need real concrete assistance from the Government of Saskatchewan with input costs, and a New Democratic government will deliver. They need concrete assistance from the Government of Canada to ensure fair grain prices, like a deficiency payment.

Mr. Speaker, what is happening to our farmers? I will tell you. The European governments are offering massive subsidies to their farmers. The U.S. government is now offering, through the farm Bill, a massive subsidy to their farmers. They are ensuring wheat at a price of \$6 Canadian. And our government at Ottawa has not said a word about whether our farmers are to get any protection, or whether they're to be sent out there unprotected to compete with the treasury of the United States of America or the countries of the European Economic Community. It is grossly unreasonable for the federal government of Brian Mulroney to say, you go out there and fight the U.S. treasury and the European treasuries all by yourself. It's time the Mulroney government in Ottawa went to bat for Canadian farmers, too.

A New Democratic government will take that message to Ottawa. We will fight hard for the interests of Saskatchewan farmers and when we have a government which is not saying a word in the protection of our farmers, we will not be saying, keep up the good work, Brian.

Now let me turn to another element of the Saskatchewan dream, a dream of a better and brighter future, a concern expressed to me and my colleagues by families all across

Saskatchewan. They are concerned about those in our society who are near 65 years of age who have little means, little income, and little hope.

Many are women without support, without a fair chance in a tough job market, without the means to live a life of dignity and modest comfort that their contribution has entitled them to. In many ways they are the forgotten of our society. They're not senior citizens. They don't have the benefits of the programs we have put in place for people 65 years of age and over. And for many, they're no longer able to work and compete in the tough job market of today. Too many of them live below the poverty line.

In a just and compassionate society we would recognize their special need and act to meet it. And the people of Saskatchewan are telling us they do recognize that need and ask their government to act to meet it. And the Saskatchewan New Democrats recognize this and a New Democratic government will act. We will provide a guaranteed minimum income to all seniors age 60 and over. Please understand what I am saying. I am saying that there will be a supplement to bring up incomes of people age 60 and over to a level that they would be were they entitled to receive the old age security pension and the guaranteed income supplement.

An Hon. Member: — That's already being done by the federal government.

Hon. Mr. Blakeney: — Members opposite suggest that it's already being done by the federal government. There is obviously a spouse's allowance which picks up some of these, but not all of them. If members opposite think that it's already being done, they are not out there talking to the people of Saskatchewan. It's yet one further indication that they don't know what's happening out there in Saskatchewan. They have lost contact.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, this is not a theoretical scheme which may pay benefits for 20 to 25 years from now, and I'm not decrying any scheme that will pay benefits 20 or 25 years from now. But I am saying that the need is not 20 or 25 years from now — the need is now. And a New Democratic government will act to fill it.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Well, Mr. Speaker, let me turn for a moment to another major element in that Saskatchewan dream, the dream that every family can own their own home, the dream that we can get Saskatchewan working again. And across Saskatchewan, young families and working people and small business have said to us, we can get Saskatchewan working again; we can provide homes for our families, jobs for people, and economic activity throughout this whole province. And we can do it with a bold and vigorous housing program.

And that's exactly what the people of Saskatchewan have been telling us. And that's exactly what a New Democratic government will do — a sound, positive plan to get the housing sector rolling again; a sound, positive job creation plan.

We have therefore committed a New Democratic government to an exciting approach to housing. We will substantially increase the number of new housing starts in Saskatchewan. You will know, Mr. Speaker, that in 1984 they were lower than in any year since 1970. And in 1985 they were up to an abysmal 5,300, compared with records in the past of 13,000, 11,000, 10,000. Fifty-three hundred! We believe we could target for at least 8,000. That proposal will create 18,000 new jobs over the next five years, will generate \$1.3 billion in new economic activity over the next five years. For first-time home buyers, young families just starting out, a New Democratic government will provide direct financial assistance for their down payment of \$7,000.

(1115)

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — A program that will last at least three years and not just an on-again, off-again, nine-month program announced in the budget last night. A solid program to help young families get a house and build for the future, invest in their future, and help Saskatchewan get working again.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — There will be a family home protection plan which will guarantee home mortgage interest rates of 7 per cent for seven years on the first \$70,000 of a mortgage.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — There will be a major new program for the rehabilitation of older homes, a New Democratic government will provide direct financial assistance of up to \$7,000 for people who undertake the major renovations of older homes. And this will create jobs and economic opportunity and improve the quality of housing in Saskatchewan. And a New Democratic government will have a real commitment to the construction of social housing for those with special needs — low-income families, native people, Northerners, the disabled.

That, Mr. Speaker, is a sound and positive housing program, a comprehensive and exciting housing program, a housing program that will work and that will help to get Saskatchewan working again.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, during the election campaign ahead, PC candidates will be talking about this budget. But I tell you, Mr. Speaker, if they're talking about this budget, they will be the only one who's talking about this budget, because there's not much to talk about.

As a business-like statement of the province's position, it's a sham. As a blueprint for the Tory future, it's a muddle. As a plan of action to help get Saskatchewan working again, it's a disappointment. And as an election budget, it's a flop.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — This election will be decided on two central issues — two central issues facing the people of Saskatchewan and these are these. One, can Saskatchewan people afford four more years of Devine government? Can they afford unfair tax increases, massive deficits, mismanagement, the so-called open-for-big-business policies, and the weak sense of direction and leadership that this government has? Can Saskatchewan afford four more years of Devine PC government? And if my recording of what the people are telling me is right, the answer is a resounding no.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — And the second issue is forward-looking: how can we best work together to get Saskatchewan working again? We have got to do something about unemployment, which has doubled in the last four years. We have got to do something about the extra 20 to 25,000 people who are on welfare in the last four years. These problems have got to be faced. How can we best get Saskatchewan working again?

Well the people of Saskatchewan say they want an election. The people of Saskatchewan say they want an election, and I say the people of Saskatchewan are ready for an election.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — New Democrats are ready, and, Mr. Deputy Speaker, after last night's budget, we are even more ready and even more eager for an election. After this budget we are confident that when Saskatchewan people assess this they will reach two conclusions: one, they can't afford four more years of the government opposite . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — And two, this budget offers no blueprint for getting Saskatchewan working again.

So, Mr. Deputy Speaker, it's time for the Premier to make up his mind, finally, to screw up his courage, to do what cannot long be delayed. It's time for the Premier to call an election. We will welcome it. The people of Saskatchewan will welcome it. They deserve it. Call an election!

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I will oppose the motion.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Deputy Speaker, I rise today, and it's a great pleasure to rise in support . . . I think I'll just take my seat, Mr. Deputy Speaker, until the parrots on the far side decide it is time for quiet.

Mr. Deputy Speaker: — Can I have order.

Hon. Mr. McLeod: — Thank you very much, Mr. Deputy Speaker. The first thing that I would like to do on behalf of my constituents is to say thank you very much and congratulations to my colleague, the member for Qu'Appelle-Lumsden, the Minister of Finance, for the way in which he delivered the budget, and for the budget which he delivered on behalf of the people of Saskatchewan last night.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Deputy Speaker, that budget continues. It is a continuation of the economic plan which this government has put in place since our election in 1982. That economic development plan has three major components, as the Minister of Finance mentioned last night. First of all, first of all, Mr. Deputy Speaker, the creation of a climate, the climate for growth, the climate for development, the climate for investment in this province, and this budget and the measures in it will continue that.

The second component is that we, in this province, have been building on our strengths since 1982, building on the strengths of this province, on the strengths of the people of this province, and this particular budget continues in that way as well.

And the third component of our plan, which has been in place since 1982, is our emphasis on encouraging our people of this province for public participation, for the public of this province to participate in the economy of this province and in the investment in our Crown corporations. And there are various measures of that in our prior budgets, and similar measures included in this budget.

This budget, as well, Mr. Deputy Speaker, maintains our priorities of protection for Saskatchewan families, Saskatchewan farmers, Saskatchewan small-business people, people all across this province, right across the spectrum. Protection: a most important element of our plan since 1982, and a continuation of that is contained in this budget, and I'm proud to be a part of a government that had produced that.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — It maintains our priority, as I've said, for creating opportunity, and that opportunity under our measures in this budget which will show that as well. And it maintains our priority which we have emphasized since 1982, and that is in the good management of government, the management of government, cutting the costs of government itself while providing the protection that I mention for the families of our province, and this budget also provides for that. Mr. Deputy Speaker, this budget keeps our Progressive Conservative government and our province on track.

Mr. Deputy Speaker, it's always a pleasure for me . . . I've been in this House for now, nearly eight years. It's always a pleasure to stand in this House and speak on behalf of the constituents of the Meadow Lake constituency in north-western Saskatchewan.

I'm pleased to have had the opportunity in this term of office to serve in the cabinet of Premier Grant Devine, in several portfolios. There is no . . . (inaudible interjection) . . . For the member from Quill Lakes, I will be pleased to continue to serve in the cabinet of Premier Grant Devine for several years.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — But in any case, Mr. Deputy Speaker, what I was about to say, the one introduction which I can say frankly pleases me most anywhere in the province or here in this House, is when I'm addressed as MLA for Meadow Lake. Because that has something to it for one whose roots lie in that constituency, and that is that the term "MLA for Meadow Lake" associates me with a geographical region of the province that I hold very, very dear, and the people who live there. And I am very, very honoured, as always, to represent them here. I will attempt, and continue to attempt, to represent them here to the best of my ability.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, I would like to give you a few examples of the kinds of things that my constituents say and that I hear all across this province, which will be indicators of the kind of things that people are saying about this budget and about the directions that this government has taken for the last four years, and the way in which this government is keeping on track.

Let's go to agriculture just for a minute, Mr. Deputy Speaker. The people of my constituency, Mr. Deputy Speaker, I believe and I know, this morning after hearing the budget are not talking about the specific measures in agriculture. They're not talking particularly about the specific measures in agriculture: the farm purchase plan; the livestock investment tax credit, the extension of that; about the cash advance system; about the incentive facilities programs — all of these things, which build on the kinds of things we've done in the past months and years. Six per cent money for farmers, 21 cents a gallon — I could go on and on — rural development, private lines, rural gas, power lines to be — in other words, our commitment to rural Saskatchewan.

They're not talking about those specifics, because the sincere and important thing that's happened across rural Saskatchewan, Mr. Deputy Speaker, is that this budget reinforces what they already widely believe, and that is that Grant Devine and the Progressive Conservative government of the province of Saskatchewan understand and respond to agriculture. They widely know that, and this budget reinforces that, and they don't need the particular specifics to know that that's taking place.

Mr. Deputy Speaker, the families in my constituency and the families across this province are not talking today about the specifics, and they will be on certain of those specifics as they become more widely known. But it's not the specifics of the protection measures for families that they're speaking of today. What they're pleased about today is that this budget stayed on course, that this budget reinforces what they already widely know and believe,

and that is that Grant Devine and the Progressive Conservative government of this province of Saskatchewan understands families and responds to the needs of families, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — The small-business people in my constituency, Mr. Deputy Speaker, and the small-business people on Main Street in every community in this province, they're not talking about the specifics of all the various measures in here: the tax reduction for a new small-business corporation; the new livestock facilities tax credit; revised small business interest reduction; the extension of the industrial incentive program; the expansion of venture capital programs; labour-sponsored venture capital tax credits; a continuation of small-business manufacturing and processing tax reduction; the stock savings tax credit; community development corporations, all of those things are specifics in this particular budget responding to small business.

But that's not what the people in small business are saying today, Mr. Deputy Speaker. What they're saying today is those specifics build on the measures which have already been taken by this government, which have already convinced people on Main Street Saskatchewan that Grant Devine and the PC Government of Saskatchewan understand and respond to the needs of small business.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Deputy Speaker, the people in the northern part of this province, in the forested area of Saskatchewan, the forested belt, were very, very pleased earlier this week at the announcement of a new integrated pulp and paper mill in the city of Prince Albert. There's no question about that.

Mr. Deputy Speaker, I would submit to you and to all members of this House that forestry workers in this province, forestry workers at the Meadow Lake saw-mill that I know very well, forestry workers in Prince Albert, forestry workers in Big River and in Hudson Bay, forestry workers across the northern belt, will say this budget and this announcement — more specifically the announcement of earlier this week — responds, and it reinforces the view that they already have that it must be Grant Devine and the Progressive Conservative Government of Saskatchewan which understands.

Mr. Deputy Speaker: — I'm afraid I must call the member for Meadow Lake to order. This is the second time he's done it. Please refrain from calling members by their name.

Hon. Mr. McLeod: — I'm sorry, Mr. Speaker. And you're right, I do know very well that that shouldn't have been done, and I apologize to you, Mr. Deputy Speaker.

But in any case, Mr. Deputy Speaker, the forestry workers in the northern part of this province, across the forested belt of Saskatchewan, understand very well that our Premier, the member for Estevan, and all members of his Progressive Conservative caucus respond and

understand the needs of workers in the forest industry. They know that. This budget and this announcement only reinforces what they've already been convinced of.

(1130)

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — I want to spend a couple of minutes, Mr. Deputy Speaker, to talk about this project — the integrated paper and pulp mill in Prince Albert, the need for it, and the reason for it.

People who understand the industry will know that a stand-alone paper-mill cannot, and will not, nor would it ever make it. A stand-alone saw-mill, the money-losing saw-mill which is presently part of the Sask Forest Products Corporation, which I'm responsible for in Big River, could not, and would not be a profitable enterprise as a stand-alone enterprise.

People who understand the business know that the use of hardwoods, in other words the use of poplar, is an extremely important measure as it relates to the forest management in this province. What this project does is integrates that saw-mill with the pulp-mill that is there, both money losers, with the expansion to a paper-mill, which is one more process.

How many times in this province, regardless of what the sector, have we talked about processing our goods in our province for jobs for our people. That's what this paper-mill will provide, a final product built right here in our province by our people.

And what it does, the last thing and the most important thing in all of this, and the reason that Weyerhaeuser and other companies — but Weyerhaeuser is now the company that will be doing this — the reason companies look to our forests is because of the forest mix that we have in the Prince Albert area, because of the mix of hardwood and softwood that is there. And that's why it was attractive, and that's why it's an excellent opportunity for the citizens of Saskatchewan to build. And what more can we ask than to be able to build products and to have jobs here in our own province by a very profitable company.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Deputy Speaker, I've spoken of the need for integration. There's no question about that. Those who understand the industry across northern Saskatchewan know how important this project is. The political folly that I hear coming from the opposition benches as they oppose this project is something that's really, really amazing to me.

They talk about election. I heard the Leader of the Opposition calling for an election. What's the Leader of the Opposition saying about an election? He says, call an election, where two days before, one day before, and on this very day, they're saying to the people of Prince Albert, we do not agree with the biggest project that has ever come to your city. They're saying to the people of Big River, now that there's a viability for the mill, a major

employer in the Big River area, they're saying to the people of Big River, we do not agree with a project which is so important to your community.

They're saying as a matter of fact, just to go into another sector of our economy, to the people of North Battleford, we do not agree with the bacon plant which is proposed for the community. We do not agree with it. Their candidate in The Battlefords agrees with it. Doug Anguish says, please bring this project in; we in The Battlefords want it. But the Leader of the Opposition, the leader of the New Democratic Party says, we do not agree with it.

What I say to the NDP, whether they be in North Battleford, or whether they be in the House in the legislature in Regina, get your act together and say the same thing in town as you say in the country, as the Premier said earlier this morning.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Deputy Speaker, there's one other point that should be made, and I'm really sorry that the one member is not here today.

An Hon. Member: — I'll take it to him.

Hon. Mr. McLeod: — I'm sure you will. You were a part of it as well, Mr. Member from Shaunavon.

The other day, two days ago I believe it was, when the Premier introduced the executive members and the board members of the Weyerhaeuser group, business people from Kamloops who were in our province to sign the agreement for the major project — people, I might add, Mr. Deputy Speaker, who were very, very well received by the citizens of the Prince Albert area, the citizens of the forested belt, the citizens of northern Saskatchewan, extremely well received, and I was there to see it. There's no question about it — Mr. Deputy Speaker, in this House, when they were introduced by the Premier, members of that opposition, the member from Quill Lakes, the member from Shaunavon, the member from Assiniboia-Gravelbourg — not all members on that side — those three . . . (inaudible interjection) . . . I didn't say you did. I said not all members on that side, Mr. Deputy Speaker, and I named the three. Those members took ignorance to new lows, ignorance to new lows, Mr. Deputy Speaker. Those people do not represent the people of this province and the way in which the people of this province will welcome guests to our province. They do not represent that.

All I can say, Mr. Deputy Speaker, is this. I'll defend their right to argue the points of the agreement, to argue with the points of view of the guests who were in the gallery any time. They have a right to do that. They have a right to argue that, and I will continue, and always will, to defend their right to argue those points. Never, Mr. Deputy Speaker, should we allow members of this House who purport to be representatives of citizens of this province to act in such a despicable manner. It needs to be brought to the attention of this House.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Deputy Speaker, I would like to turn now for a few moments to my responsibilities as Minister of Advanced Education and Manpower. But before I do, I just want to say one thing which I sincerely believe. I want to pay tribute to a good friend of mine, a former coach, my former coach, whom I've known for a long time, who was my predecessor in this Department of Advanced Education and Manpower. What I have said to the client groups and to the people that we are dealing with in this department is that we will do everything possible to continue with the initiatives brought to that department by Gordon Currie — I'm sorry, Mr. Deputy Speaker, by the member for Regina Wascana — who brought a good number of important initiatives to that department.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — What we are attempting to do in the department, and the budget last night will reflect this, Mr. Deputy Speaker — the budget will reflect that we are being somewhat successful in continuing his legacy in this department.

Mr. Deputy Speaker, my department has the overall responsibility for the provincial government's role in all education and training that occurs outside the K to 12 system. The creation of this department was part of our government's emphasis on the importance of education, in ensuring that Saskatchewan people have the vocational skills to find productive employment and the general skills to lead full and rewarding lives.

Our initiatives in this area in the first three years of our government are something we are very proud of. In the past year we have continued to build on these initiatives in pursuit of two goals: first, excellence, and secondly, accessibility. We believe that our educational institutions must strive for, and achieve excellence, and that this excellence must be accessible to as wide a cross-section of the Saskatchewan people as possible. As I detail some of the particular achievements of Advanced Education and Manpower over the past year, it will be clear that the themes of excellence and accessibility are always present.

The delivery of education outside the K to 12 system in Saskatchewan rests on three pillars: the universities, the technical institutes, and the community colleges.

Let us look at our achievements in each of these areas over the past year. Last April we announced, as part of our overall Partnership for Progress initiative, a commitment of \$125 million over five years to a university renewal and development fund. These are moneys over and above what would have normally flowed to the universities during those five years, and are intended to get the process of revitalizing and modernizing Saskatchewan's two universities under way.

The former government, the NDP party, flush with cash, could never see its way to beginning this long overdue process. Our government feels that it is crucial to the long-term health of Saskatchewan society, and we're willing to back that up with real significant commitment. Already the effects of the university renewal and

development fund are apparent to all concerned with the universities and the communities around the university.

The government and the two universities are involved in a constructive dialogue about the future direction of the university sector, and together we have made a start on some long delayed construction projects, such as the \$1.7 million restoration of Darke Hall at the University of Regina; the new \$6.6 million administration building at the University of Saskatchewan; a \$5.5 million animal resources centre; and a \$78 million college of agriculture at the University of Saskatchewan, Mr. Deputy Speaker.

And while I'm mentioning the University of Saskatchewan and the college of agriculture building, I would like to quote for a second, Mr. Deputy Speaker, from an article from the *Star-Phoenix*. The headline reads as follows: "Blakeney says education given high priority by NDP." That's his headline. And down here as it relates to the agriculture college building, and I'm quoting, Mr. Deputy Speaker:

When asked about an NDP promise of an agriculture building during its last term as a government, Blakeney said it was on the low end of a list of new buildings.

"On a low end of a list," says the Leader of the Opposition, as it relates to agriculture, the most important industry in the province. This government, this Premier, the member for Estevan, has been to the University of Saskatchewan and announced a \$78 million agriculture building. I would say to you, Mr. Deputy Speaker, it's been very, very well received, not only by the university community, but by the community at large all across this province.

One other example, Mr. Deputy Speaker — major new computer systems on both campuses total \$19 million.

These projects are not only important to the two universities but also to the economic and cultural life of our whole province. And in the budget brought down last night, funding for capital and operating purposes will total \$172 million, an 8.1 per cent increase over 1985-86. To put that total into perspective, Mr. Deputy Speaker, what that means is that we will be giving our universities something like 45 per cent more per student than does the Government of Manitoba, an NDP government.

In 1983 we set out to dramatically increase the capacity of our technical institutes to equip Saskatchewan people with the skills needed in an increasingly sophisticated work place. And there is nobody who can deny that we have accomplished what we set out to do. No one can deny that fact. From 1982 through to last year we increased training spaces available at the three existing technical institutes by 40 per cent.

And in this year the northern institute of technology in Prince Albert will come on stream with the capacity to teach another 1,000 learners at any one time. This new institute will make widely accessible to people of northern Saskatchewan the types of programs that have been long available to the people of central and southern Saskatchewan. With this new institute we will have

increased total training capacity in our technical institutes by close to 50 per cent, Mr. Deputy Speaker. — a very major accomplishment in anybody's books, Mr. Deputy Speaker.

But it is not just quantity that we have added: we have dramatically improved the quality also. The most outstanding example here is the competency-based learning approach pioneered at the Wascana Institute of Applied Arts and Sciences here in Regina. This approach makes the institute's training programs accessible to a much larger share of the population than would the conventional approach.

And talk about excellence, Mr. Deputy Speaker. Excellence. Two independent studies — one for the British Columbia ministry of education and the other by experts at the University of Central Florida — have concluded that Wascana is a world leader in the area of competency-based learning. And just one addition to that. The new northern institute of technology, when it opens this fall, will offer its programs based on the competency-based learning concept.

Our community college system is all about accessibility — accessibility for those who do not live in the urban areas served by the universities and the institutes; accessibility for those who do not have the level of formal education required by the universities and institutes; accessibility for those who might feel that the universities and institutes are not meant for them.

We estimate 10 per cent of the adult population enrolls each year in some program through the community college system. This is an indication of how important people think the accessibility afforded by the community colleges is.

In 1984 cabinet approved a new mandate for the community colleges with an increased emphasis on adult basic education, skill training, and career services. Let's look at some of the programs we deliver within that new mandate. Adult basic education and the general education development testing services help those who miss some or all of the K to 12 system.

The Saskatchewan skills development program provides academic and skill training for social assistance recipients — a part of our welfare reform strategy which has been successful by this government, Mr. Deputy Speaker. And an independent report recently concluded that this program is meeting its objectives and recommends its continuation.

(1145)

The Saskatchewan skills extension program brings to people in rural and northern Saskatchewan many of our programs available to urban Saskatchewan through our technical institutes.

Mr. Speaker, I have given a brief summary of what we have developed in terms of accessibility and excellence within the three pillars. But the universities, institutes, and community colleges are ultimately about serving students. Accessibility for students means not just

geographical proximity, but also financial affordability.

Mr. Speaker, in this current year this government expects to provide two and a half times as much in student aid as did the previous government in the last year of its administration. And the budget introduced last night indicates that we are not content to stop there.

In the days to come I'll be giving details of the new initiatives in this area that will provide: one, additional assistance at less cost; two, additional assistance to farm families; and three, additional assistance to single parents — all areas in which the people and the students of this province have been asking for some support and some understanding. The details will be coming within days, Mr. Deputy Speaker.

Mr. Deputy Speaker, this government is proud of its record in providing more money to more students and creating more opportunities for Saskatchewan citizens to better their well-being. Mr. Deputy Speaker, on behalf of the constituents of the Meadow Lake constituency in north-western Saskatchewan, it's my pleasure to support this budget whole-heartedly.

Some Hon. Members: Hear, hear!

Mr. Sandberg: — Thank you, Mr. Deputy Speaker. It's a pleasure for me as member for Saskatoon Centre to speak on behalf of my constituents in this budget debate delivered most capably and most brilliantly by my colleague for Qu'Appelle-Lumsden yesterday.

When this government was elected to office, it was elected with a broad and sweeping mandate to rejuvenate the province's economy. In 1982 the oil industry in Saskatchewan was all but dead. Industrial expansion was non-existent and business activity was low. Without a vibrant and growing economy, not only are there few new jobs being created, especially for younger residents, but the lack of business activity means fewer tax dollars for government.

Hence, in 1982, the health system, the educational system, and government services were deteriorating at a rapid rate. That was what we inherited from the NDP administration.

In a nutshell, my Premier's administration took over the reins of office at a time of both despair and chaos. This government, through budget initiatives and policy thrusts, immediately set out not only to halt the decline but to stimulate the Saskatchewan economy to such an extent that the province, both economically and socially, would be the most robust in Canada.

Without a doubt, previous budget measures and policy moves have succeeded, Mr. Deputy Speaker. Indeed they have succeeded to such an extent that other provincial governments in Canada are now using the Saskatchewan experience to guide them in their own quest for economic and social renewal.

Saskatchewan's oil industry now breaks record after record in drilling and exploration and investment. Our employment rate — and I want to emphasize that — the

employment rate on a year-by-year basis is the highest in the nation. Small-business creation is the best in almost two decades. Home owners have been protected from wild swings in mortgage rates. Farmers have been protected from drought by a half a billion emergency package. Health and education funding are the highest in our province's entire history.

The new budget seeks to continue and promote this revitalization of our province's economy, and to do it in imaginative and innovative ways that will again be the envy of the nation.

The Devine government has already encouraged swift creation and expansion of small businesses with a nine and five-eighths interest loan program. Now the budget will provide loans of 8 per cent to small businesses. The maximum loan limit will be increased to \$100,000 and the program will be expanded to include implement and automotive dealers. So that is great news for small business in Saskatchewan — \$100,000 at 8 per cent.

Knowing that Saskatchewan entrepreneurs by their very spirit and tenacity have already created thousands of new businesses and hundreds and thousands of new jobs, the government of Premier Devine has also put into place many other programs and policy changes to aid that growth. Now the new budget will introduce a two-year corporate tax holiday for new, small businesses created after this measure was announced on April 26th. This measure will provide much needed assistance during the critical start-up stage. At the same time, the small-business corporate tax holiday and manufacturing and processing income will be continued.

Mr. Deputy Speaker, experience has shown that such tax holidays benefit every resident, either directly or indirectly. Our oil industry recovery program actually created so much activity that the industry now funds fully one-quarter or more of all provincial government revenue. Indirectly, because of all the jobs its resurgence has created, and the revenue such jobs and services provide, the figure is even higher.

On a new topic, the venture capital program under which tax credits are provided for those who invest in venture capital projects in Saskatchewan has been a substantial success, both in creating new ventures and in creating new jobs. Now this new budget proposes that the venture capital program be expanded to include agricultural enterprises. And the lifting of the restriction limiting investment to communities of 5,000 or less has been raised to communities with a population of 20,000 or less.

Our government, the PC government, believes that labour organizations have a vital role to pay in Saskatchewan's economic development, and that union members, with their knowledge of the work-place and their tradition for being industrious, can do much to help our economy grow. Co-operation between labour, management, and government in the past four years has met an unequalled period of labour peace in the province of Saskatchewan.

Now, Mr. Deputy Speaker, the new budget proposes the

setting up of labour venture capital corporations to encourage trade unions to create jobs and build added security and prosperity for their members by channelling investments from organized labour to small and medium-sized businesses in Saskatchewan. Individual union members will receive provincial tax credits equal to 20 per cent — that's 20 per cent of the cost of their investment.

During the past four years, Mr. Deputy Speaker, the Saskatchewan government has taken a number of initiatives to encourage greater investment within Saskatchewan by Saskatchewan residents. If residents have vehicles that enable them to invest their savings within our province rather than elsewhere in Canada, North America, or the world, we will all benefit.

Now, Mr. Deputy Speaker, the new budget institutes a stocks savings plan, a stocks savings plan to provide income tax credits to Saskatchewan investors. Individual investors will be able to save a maximum of \$3,000 in tax credits each year under this scheme. This plan will create substantial business expansion in our province.

Concentrating on creating new jobs by every realistic means possible, the government instituted the industrial expansion program which provided one-time payments of \$7,500 for each new job created by manufacturing and processing companies. This initial investment in employment opportunities for Saskatchewan residents have been a resounding success. Now, Mr. Deputy Speaker, the new budget extends the industrial expansion program and its \$7,500 payment for an additional year.

Mr. Deputy Speaker, we all know that rural Saskatchewan is still the economic and social backbone of our province. It is vital that our rural communities not only stay alive, but actually flourish. Our urban centres depend on rural strength for their own economic muscle. We have done much to keep our rural communities viable and growing.

Now, Mr. Deputy Speaker, the new budget promises financial assistance to municipalities interested in establishing community development corporations which would spur opportunities for increased economic development, especially in smaller communities. Because Saskatchewan residents throughout our province's history have exhibited an entrepreneurial spirit and gone out with bold and imaginative ideas to build our province, the ingenuity of our people is known the world over.

And now, Mr. Deputy Speaker, to give added encouragement to individuals who want to create their own small businesses but need help in developing their skills to do so, the new budget proposes an entrepreneur training program — that's an entrepreneur training program.

Our farmers, of course, are the life-blood of our province. Agriculture, both directly and indirectly, is and will always be our major industry. By matching and even meshing our agricultural muscle with that of other economic sectors, we can maintain agriculture's traditional strength, while building up new resources and

industries.

Now, Mr. Deputy Speaker, the new budget will initiate a Saskatchewan agriculture and commercial equity corporation to provide our residents with an opportunity to make diversified investments in the future — in the future growth of our province. The corporation will make investments in various sectors of the province's economy and will participate on a joint venture basis in major capital projects.

Saskatchewan's traditional reliance on grain exports has served it well. But in the past four years substantial moves have been made to diversify our farm economy, so that by broadening our agricultural base we can seek out new markets and bring more stability to our farm income.

So now to help protect farmers, Mr. Deputy Speaker, the livestock investment tax program, a major innovation that provides tax credits for livestock finished to slaughter, will be extended for three years. Yet this is not our only renewed commitment to our province's livestock farmers.

Now to encourage and expand livestock facilities, especially for hog production, the new budget introduces an income tax credit equal to 15 per cent of the capital cost of eligible facilities purchased by individuals or corporations. The tax credit will apply to the construction of new facilities or the major expansion of existing facilities started after January 1, 1986, and where the principal use is raising livestock.

Mr. Deputy Speaker, construction is a major economic activity in all areas of Canada, and home construction is one of the most labour-intensive activities. Grants aimed at enabling residents to buy their own homes always create down-line economic activity. Saskatchewan's home ownership incentives have been praised across this nation. Now, Mr. Deputy Speaker, the new budget will offer \$3,000 — that's \$3,000 grants — to first-time home buyers. This program is expected to stimulate an additional 2,000 new housing starts and create almost 1,800 new jobs.

This government believes it is wrong to tax residents for essential purchases, and that taxation generally hinders economic expansion by cutting down the disposable income in residents' pockets. Abolition of the provincial gas tax in 1982 freed up some \$600 million in disposable income over four years for residents to spend as they wished.

The provincial tax on children's clothes was also abolished. Now, Mr. Deputy Speaker, the new budget abolishes the tax on all clothing, footwear, and yard goods valued at less than \$300. This should provide another \$23 million in tax savings to individual Saskatchewan residents.

Some Hon. Members: Hear, hear!

Mr. Sandberg: — This, Mr. Deputy Speaker, is good news for my constituents in Saskatoon Centre and, indeed, in all of Saskatoon and Saskatchewan.

Mr. Deputy Speaker, the NDP are critical of our government's taxation policy. This appears hypocritical — it's very hypocritical — when examining the record of the previous NDP administration. In 1972, Mr. Deputy Speaker, the NDP introduced a gift tax and a succession duty. It was removed in 1977. This gift tax cost the people of Saskatchewan \$875,000, and the cost of the succession duty was a whopping \$26 million — \$26 million.

(1200)

In 1973 the corporate income tax rate applicable to small-business corporations was increased by the NDP from 11 per cent to 12 per cent. The rate was reduced in 1978. The small-business corporations' tax increase cost Saskatchewan taxpayers \$12.3 million. The total cost of these NDP taxes, before being removed, was a hefty \$39 million, Mr. Deputy Speaker — \$39 million.

Mr. Deputy Speaker, it goes without saying that I am very proud of my city of Saskatoon and I indicated as much in previous speeches, and particularly on the debate on the throne speech. Saskatoon is a city on the grow, a city on the grow, Mr. Deputy Speaker, as illustrated by many projects that are proposed or under way for Saskatoon in 1986. And I just want to highlight some of them here, because it's worth while that everyone in the province know just what they are.

Of course, the hospitals in Saskatoon are undergoing major expansions. And City Hospital will be built anew at a cost of some 102 or \$104 million. The expansion to St. Paul's Hospital, under way now and well in progress, some \$50 million plus. The University Hospital expansion now under way — and the cranes are visible right across the city of Saskatoon — the expansion of the University Hospital is some \$30 million or more.

The city of Saskatoon has indicated, Mr. Speaker, that it's going to build two new recreation complexes, one in Silverwood and one in Lakeview, and they're going to amount to some \$6.4 million. And of course, as I indicated before, I'm hopeful that the city of Saskatoon will be positive and pass this new multi-purpose arena complex. It will be up for a vote on April 23rd, I believe it is. And I know that despite the protestations of some of the folks in Saskatoon, engineered on their political agenda of the NDP, that the new arena complex proposal will be passed, and passed by a substantial margin. It will be worth some \$25 million and mean many jobs to the people of Saskatoon.

Mr. Speaker, the Government of Canada has indicated it's building a hydrology institute at a cost of \$12.4 million. The province of Saskatchewan special care home out in Fairhaven, 238 beds at the cost of some \$21 million, Mr. Deputy Speaker; and presently under construction, an alteration at Kilburn Hall by the province of Saskatchewan amounting to \$1.6 million. The University of Saskatchewan is putting up a new administration building, Mr. Deputy Speaker, at 5 million.

And there are many, many others. Some of them I'd like to mention. The agricultural college announced by our Premier the other day — \$78 million, and acclaimed by

all people interested in agriculture in the province of Saskatchewan, and of course much, much wanted by the people at the University of Saskatchewan. Intercontinental Packers has indicated that they will be expanding to the tune of some \$24 million. A new cancer clinic announced recently coming up adjacent to the University Hospital, worth some \$17 million, and the list goes on and on.

Sed Systems, a new plant, worth some \$10 million; Canada Packers, a new plant, \$5.5 million; Saskatoon Fresh Pack, manufacturing expansion, at some \$2 million. A new Circle Park Mall addition, \$17 million; a new Grand Centre Mall, a new retail complex, at some \$9 million; and I can go on and on. Parkview Place, new office parkade, at some \$9 million.

Mr. Deputy Speaker, Saskatoon is a city on the grow, a city of building, a city with a great future, a city that will be creating jobs in the thousands.

Boychuk, an additional office complex at \$3 million; and so on. These projects, Mr. Speaker, add up to over \$400 million in capital costs in the year 1986. That means jobs, that means activity, that means spin-off jobs for the city of Saskatoon.

And, Mr. Deputy Speaker, I'm also proud of what has gone on in Saskatoon since 1982. We have an enviable record of building Saskatchewan, of building Saskatoon, of working together with the private sector.

Just some of them that I want to list here today, because I know that my constituents and the people of Saskatchewan are excited about these projects. For example, Canpotex, the international marketing agency for Saskatchewan potash, moved its head office from Toronto to Saskatoon in the last four years. And just recently in the budget speech it was announced that the Department of Science and Technology will be moving to Saskatoon.

Mr. Deputy Speaker, a \$7 million refurbishment of the Western Development Museum was very much welcomed. Eight new child-care incorporations in Saskatoon alone have provided pre-school and day-care services to approximately 300 families in Saskatoon. The new geological sciences building at the university at a cost of \$18.6 million. A science research unit is being built at the College of Medicine at a cost of \$1.6 million.

Mr. Deputy Speaker, we were pleased to see the completion of the College of Engineering building at 31 million. Twenty-eight new advanced technology firms have located in Saskatoon since 1982, and we are, indeed, the capital of high tech in western Canada.

Mr. Speaker, since 1982 over \$41.2 million worth of school construction and renovations has taken place. Four hundred thirty-three special care home beds are being constructed under the five-year, special care home construction program in Saskatoon; \$2.7 million for new Kinsmen children's centre. And I want to say right here and now that all Saskatchewan and all Saskatoon are proud of the building and the construction and the community service provided by the Kinsmen clubs of

Saskatoon and Canada.

Mr. Deputy Speaker, over 40 million in science research allocated to 12 research infrastructure facilities in Saskatoon. And 1,230 new jobs were created through the Saskatchewan employment development program of Social Services — and I'll have more to say about that later.

Mr. Deputy Speaker, over 354,000 in grants to seniors' organizations in Saskatoon since 1982. Over \$11 million in grants to organizations in support of the handicapped in Saskatoon since 1982. Nearly \$20 million of urban assistance from Department of Highways to Saskatoon since 1982, and over \$2 million in highways in the Saskatoon area.

Over 10,390 Saskatoon families — that's 10,390 Saskatoon families — were protected by the thirteen and a quarter per cent mortgage interest reduction program. Over 17.9 million has been paid out to protect Saskatoon families — that's almost 18 million was paid to Saskatoon families by the mortgage interest reduction program. In addition, 1,381 Saskatoon families received a total of 4.143 million under our build-a-home program. That's action; that's progress; that's progress by the Progressive Conservative Government of Saskatchewan.

And of course we're very proud in Saskatoon also, Mr. Deputy Speaker, that the 1989 Canada Summer Games will be held in Saskatoon, in 1989. And we bragged a little bit because we won out over Regina, but Regina is getting the Western Canada Games, and they're also getting a new field house, I understand, worth some \$6 million. So I think we're all happy with what's happening in our two major cities.

Mr. Deputy Speaker, since the first day that my government took office it has pursued three central thrusts as it has moved to build a province in which all residents can create for themselves a type of life-styles they desire and deserve.

The latest budget initiatives build on the foundation already set in place and adds strength and potential to the direction already set. The three thrusts are: number one, opportunity, opportunity for residents to achieve personal security and prosperity. This includes opportunities for jobs, for a first-rate education, to build small businesses, and to take part in other self-determined challenges.

Some Hon. Members: Hear, hear!

Mr. Sandberg: — The second thrust, Mr. Deputy Speaker, is participation — participation for residents to take part in both the day-to-day governing of their province and in the economic prosperity of Saskatchewan, whether that prosperity has been achieved in private industry or in the government sector. And my constituents tell me, many of them tell me, they are happy that at last they have a say in what the Government of Saskatchewan does. It isn't a centralized, marble palace in Regina any more. It's a group of 55 MLAs getting out into their constituencies and talking to their people, getting their input and suggestions as to what they want done.

The third thrust, Mr. Deputy Speaker, is protection, protection for all residents against mishaps beyond their control. The thrust here is wide-ranging. It includes health care and protection against wild swings in mortgage rates for home owners or interest rates that have to be paid by farmers.

Our government believes that all these are interrelated. Without good health, for instance, one can't work in a productive job. Without good educational opportunities, one can't pursue a rewarding career. Without employment opportunities, families can't build homes.

Seen in this interrelated perspective, it is easy to see why the Saskatchewan government instituted the first home mortgage rebate program in Canada to protect families against sky-rocketing interest rates; why the Saskatchewan government decided to spend more funds on health care and education than any other government in our province's history; and why we established a \$600 million employment development fund in an all-out campaign to create jobs province-wide. It's also why we set up far-sighted programs to make it easier for residents to create and expand small businesses, for small businesses in turn to create jobs.

I see the member from Regina North East has left his place in the Assembly. He likes to make a lot of noise, but what did he do as Finance minister when interest rates were 22 per cent? What did he do? Nothing. Zip. Nothing. And he sits over there in his hypocritical manner and criticizes this government's programs to help the home owners of Saskatchewan.

I see, Mr. Deputy Speaker, I have awakened the sleeping beasts.

The member from Athabasca . . . I know and I respect the member for Athabasca. I know he knows better than what those cohorts of his over there are saying. He's an honourable man, and I know that he believes in what we're doing. But he's got himself caught up in a situation over there, and I invite him to come over at any time that he wants.

Mr. Deputy Speaker, our successes have been outstanding as a government and have been praised coast-to-coast. We have the highest employment rate — that's the highest employment rate — in the nation in the past four years, and our health care system and educational system has been brought up to world-class standards.

Our oil industry is funding, through royalties and taxes, one-quarter of all government expenditures. And our farmers have seen their dedication repaid with some \$500 million in drought aid programs.

Now, Mr. Deputy Speaker, we must move on. We must move on to new achievements and to new horizons. And the budget initiatives will help us move on — the budget initiatives as announced by my colleague from Qu'Appelle-Lumsden.

This government, the Devine government and all

Progressive Conservative MLAs, believe that the family is the corner-stone of the strength of our province. It always has been and it always will be. Mr. Deputy Speaker, big union bosses are not the corner-stone of this province; families are. That's why so many of our policies and programs have been aimed at strengthening the family and keeping Saskatchewan families together.

We have done this in many ways. Some 44,000 home owners received mortgage rebates and were protected against the horrors of runaway interest rates. When runaway inflation threatened every resident, our government abolished the provincial tax on gasoline. This has saved Saskatchewan drivers some \$600 million in four years.

These programs either directly or indirectly assist every resident. If Saskatchewan families had lost their homes, there would have been economic turmoil and social crisis. By abolishing the tax on gasoline, virtually every product and service was more economical to produce and offer. Again, all are interrelated. Our government is very much opposed to taxing the so-called essentials in life. And our members were shocked in 1982 to see just how heavily taxes had been placed on residents; hence, the abolition of the \$600 million gas tax.

(1215)

Mr. Speaker, with so many family units today having both parents working, or with single mothers having to work, day care centres have become a part of Canadian life. I know they've been a part of the life of my wife, Dee, and I. We were very pleased to have our children so well taken care of in a co-operative day care centre in Saskatoon for about three years, the Spadina Child Care Centre. And I would like to commend them here and now for the excellent care that they provided to our children at that time when we needed it.

Now, Mr. Speaker, for the first time in Saskatchewan, direct operating grants to day care centres will be available under a day care budget of more than \$13 million. The budget total itself is an increase of 9 per cent over last year — double the rate of inflation.

It has often been said that our children are the foundation and the hope for our future. It is more demanding in today's society to achieve that future than ever before. The opportunity for educational excellence must be available to all Saskatchewan children and students, which is why, aside from our general education budget being higher than ever before in our province's history, we established a \$400 million education endowment fund to upgrade educational facilities province-wide. University funding is also at an all-time high in Saskatchewan.

Now, Mr. Speaker, the new budget will make changes to the student assistance program to remove unfair restrictions, increase loan limits, and reduce the interest rate on student loans to 6 per cent. And that's good news for students across the province of Saskatchewan.

Mr. Speaker, the Devine government over the past four years has made a determined effort to reward senior

citizens for the contributions they have made to our province and for the solid foundation they have built for us. So many of the opportunities and freedoms we now enjoy were provided for by the hard work and the initiative of our senior citizens.

Little wonder then, that grants to senior citizens have been increased by as much as 100 per cent. Nursing home construction has been undertaken at a pace never seen before in this province, and all programs related to senior citizens upgraded and expanded. Now, Mr. Deputy Speaker, the new budget will increase the seniors' non-profit housing program by \$4.5 million, and will continue providing funding for the five-year, \$25 million senior citizens' home repair program.

Mr. Speaker, I'm very proud of the new seniors heritage grants that have been brought in by this government just recently. They will provide benefits well-deserved by senior citizens of up to \$700 per couple. It has been well accepted by the seniors in Saskatoon Centre, and I know it's been well accepted by the seniors right across the province of Saskatchewan.

Mr. Speaker, although an increasing number of improvements have been made in both government, company, and private pension plans over recent years, many approaching retirement are still left without adequate financial means. This government finds this situation intolerable.

Now, Mr. Speaker, the budget promises to develop a Saskatchewan pension plan for home-makers, for small-business people, and the self-employed. There will be matching contributions from the government, and the pension plan will be voluntary. It's a first; it's a milestone for the province of Saskatchewan, and this government, the Devine government has done it.

Our government has found it disgraceful that so many people have been forced to live out their lives on welfare, with no hope of getting off social assistance, finding productive jobs, and building an enjoyable life for themselves. Welfare recipients deserve the same opportunities as other residents, and our government has already instituted successful job-training schemes in this endeavour.

Mr. Speaker, the previous administration was only interested in handing them a cheque and keeping them on the welfare rolls forever so they could keep them making the X for the NDP. Well we're giving them more hope and more future and more opportunity than that.

Now, Mr. Speaker, a comprehensive employment opportunities strategy for employable social assistance recipients will be established during the current year. The program will insure that welfare recipients do not merely receive a cheque from the government, which, while all such cheques add up to a large sum, individual amounts have been little more than conscience-quelling pittance, but also have opportunities to learn job skills, job responsibilities and perform public service.

Our government want to give welfare recipients more than a subsistence living; we want to give them hope and

determination to succeed on their own. And, Mr. Deputy Speaker, with your indulgence I would like to read a letter from one of my constituents on the Saskatchewan skills development program that has been developed and fostered by this government, and it's from a young lady who lives on 5th Avenue North, right in the heart of Saskatoon Centre.

And she says:

Dear Premier: I am a student from the Saskatchewan skills development program. (And I know the Minister of Social Services is proud of this.) I am a student attending City Park Collegiate. My name is (such and such). I started my classes through Saskatchewan skills development program June 17, 1985. I am requesting that the funding of the Saskatchewan skills development program will be continued.

The Saskatchewan skills development program is not just beneficial to those of us on social services but to the society in which we live. Many students who have gained their required entrances through SSDP are attending or registered at Kelsey and other learning institutes to further their occupational goals. (I can see, Mr. Speaker, that the member from Shaunavon doesn't want to hear this because it really hurts, but I'm sure he'll be interested.) You may feel that continuing the SSDP would be too great an expense, but your involvement could only benefit provincial and federal stability.

The skills development program was first set up because the government recognized most social services recipients did not have their complete education. (And when she says government recognized, she means this government.) We recognize the importance of this program and have expectations of completing our grade 12 or required entrances.

The community of people receiving assistance has been asking the government for years to offer education and employment training to improve their lives. At that time, jobs were plentiful. (You know of when she was speaking.) We were refused and viewed as unworthy to consider such an option. (And it's obvious she's referring to the NDP administration.) Now jobs are scarce and training is vital for any member of society to find a career.

Without this program and others like it, more and more people will be turning to the government for financial support without any way to coalesce with society in a productive and financial way. The success rate of this program is directly due to the fact that we have a separate building to learn in and give each other the support we need to attain our goals.

And she finally says:

I plan on taking the CAD/CAM program at Kelsey

in the fall of 1987. I started my grade 11 on December 9, 1985, which will be the last semester I can take if this program is not continued. I feel an extreme amount of stress not knowing where my future lies. Even if only one-third of the people in this program find careers and secure positions, that is one-third more than if the program is discontinued. I have full intentions of being a part of that one-third. I request to you again that you continue this program, and I also ask that you respond and tell me what you plan on doing with us if this program is discontinued.

Well, I give you my commitment and this government's commitment that this very fine program will be carried on, because we're a government that cares about fostering and getting people out of the welfare rut. We will continue this program, and that is our commitment, the commitment from me and my colleagues and Premier Devine.

Mr. Speaker, as a government we are extremely concerned that tax rates for every resident should be as low as possible and that government must be run as lean and as efficiently as possible. Much has been achieved in the past four years in this campaign. Now, Mr. Speaker, the new budget will establish a property management corporation to ensure that government land and buildings is acquired at the most economical cost to the taxpayer and managed at the most economical cost to the taxpayer and managed at the most efficient level. We expect this move will provide substantial savings.

I just want to take a moment, Mr. Speaker, to comment on that great, colossal, white ark that sits in the middle of the city of Saskatoon, down town on 3rd Avenue — the Sturdy Stone Building. That was a colossal monument created by that former NDP administration. It must weigh a gillion tonnes in concrete. It provides a whole bunch of parking spaces that are there for the use of the civil servants of the province of Saskatchewan.

Well, as the people of Saskatchewan, the taxpayers, are we here to provide parking spaces for the public service of Saskatchewan? I mean, we have to have places to park — there's no question about that — but to build a multimillion-dollar edifice to provide parking spaces for civil servants in the city of Saskatoon is to me ridiculous and just completely highlights what that government stands for: big government, big bureaucracy, inefficiency. There's no question about that.

Mr. Speaker, we're proud of the partnership we have with the residents of Saskatchewan. The new initiatives are being funded basically by a tax increase on large corporations — not on little people, but on large corporations — and by an increase on the tobacco tax. On cigarettes the tax works out to 25 cents a package, or a 1-cent increase per cigarette. We think both these are common sense moves, particularly in view of the current needs, attitudes, and trends.

In a nutshell, here are some of the main expenditures. Health care will take the largest slice out of the budget. Spending is set at 1.2 billion for the 1986-87 fiscal year in Health, with an average of \$1,200, Mr. Speaker, for every resident. Health care spending will increase by \$126

million — the largest single health care budget increase ever.

Educational grants, Mr. Speaker. Educational grants to elementary and secondary schools will be up by about \$41 million, or more than 10 per cent. That's more than double the rate of inflation. Aside from regular university funding programs, operating grants to universities will increase by more than 3 per cent to \$144 million.

Mr. Speaker, agriculture, of course, is still the economic foundation of Saskatchewan, and its health will determine our future. Our commitment to our farmers is seen in the agriculture budget rising from 64 million to \$118 million — almost double the previous year. The figures do not include such expenditures as emergency drought and grasshopper assistance that put half a billion into our farmers' pockets in recent months.

The new budget, Mr. Speaker, calls for expenditures of 3.7 billion and an income of roughly 3.3 billion. The deficit, we feel, is acceptable and responsible considering the current situation. Renewed economic activity and future government programs will eventually eradicate it by a natural process.

Mr. Speaker, I and my colleagues take pride in this budget. It's responsible. It's visionary. It looks ahead. It doesn't look back like the previous administration would have done. It's what Saskatchewan residents have been telling us and it's what we should be doing. Thank you, Mr. Speaker.

I now ask leave to adjourn debate.

Debate adjourned.

Hon. Mr. Berntson: — Mr. Speaker, before I ask to adjourn the House today, I just remind all members — and I know I don't have to but I want to — that this is Easter weekend and a long weekend, and we will not be, of course, sitting tomorrow, Good Friday. We come back Tuesday at 2 o'clock.

So I just want to wish everyone a happy Easter and best wishes for a long weekend at home visiting with your constituents and your families and, of course, telling the world how great our budget is.

I now, Mr. Speaker, move that this House do now adjourn.

The Assembly adjourned at 12:28 p.m.