

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Taylor: — Mr. Speaker, it is with pleasure that I would like to take the opportunity this morning to introduce to you, and through you to the members of the Assembly, three groups of school children that are here from the Indian Head-Wolseley constituency.

Firstly a group that I've just met with from Grenfell — grade 4 students are here. There are 35 of them in number. They are accompanied by Mr. Keith Biesenthol, who is one of their teachers; Mr. Gordon Warman; Mrs. Carol Piller; Mrs. Haugen is their chaperon and Mr. Gary Cole is their bus driver. I welcome them here. I welcome Mr. Biesenthol who's on the floor with one of the students, Leslie Smith. I hope they have a very enjoyable day here in Regina, and certainly have good results in their exams and a very pleasurable summer.

Also with us today are another grade 4 class, numbering 24 students, and they're from Montmartre. They're situated in the west gallery and they're accompanied by their teacher, Sandi Brown. The chaperons are: Monique McIntosh, Cathy Waller, Bob and Gary Jury, and Patsy Fisher. I welcome the students from Montmartre here and look forward to meeting them a little after for discussions and drinks.

And also with us today, in the Speaker's gallery, are 38 grade 6 students from Indian Head. They're accompanied by their teachers, Michelle Krueger and Tony Colley, and also have chaperons of: Mrs. Hindle, Mrs. Hammond, Mrs. Chambers, Mrs. Skinner, Mrs. Taylor, and Mrs. MacMillan.

I see that we're going out on the lawn for drinks and questions today, which I think is a very appropriate thing to do, and I congratulate the guide service for this new initiative. I look forward to meeting you all and will see you later for discussions. Thank you for coming here today.

Hon. Members: — Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, I would like to introduce to you, and through you to this Assembly, 32 grade 8 students in your gallery, and they're from the Ituna school in Ituna, Saskatchewan. The Ituna school comes every year that I can recall, and I'm getting quite used to having them here, and I get comments that they learn a lot from this trip. I certainly hope that they have an educational stay here today.

I will be meeting with them at 11, and we will be meeting in the building. I guess we have to follow tradition in our constituency. And I would ask the members to welcome these students and their teacher Bill Hudema, Ann Buchko, their bus driver Walter Petrowski. I'd ask you to welcome them to this Assembly.

Hon. Members: — Hear, hear!

ORAL QUESTIONS

Election Promise and Gasoline Tax

Mr. Tchorzewski: — Mr. Speaker, I have a question to the Minister of Finance, and it deals with his betrayal and his government's betrayal of their election promise never to reimpose the gasoline tax in Saskatchewan as long as there was a Conservative government in this province.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — In spite of that commitment, Mr. Speaker, we now have a gasoline tax of 32 cents a gallon which is higher than the previous gasoline tax prior to 1982 of 28 cents a gallon. Now, Mr. Speaker, my question to the Minister of Finance is: do you propose to issue receipts for people to fill out the claim for this gas tax rebate? And if so, Mr. Minister, are those receipts already in the hands of the filling station dealers so that they can have the appropriate information to be ready for the tax which they have to look after, on your behalf, starting next Monday?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I might advise the hon. member that if the gas tax as imposed by the New Democratic Party was still in place, it today would be 8.9 cents per litre, considerably higher than the rebateable gas tax imposed in the budget.

I would advise the hon. member that receipts, a special form of receipt, will not be necessary; that the government will allow credit card receipts, for example, as long as it's specifically indicated that it be for fuel. Obviously, not the other services — oil, repairs, and things of that nature — and standard receipts that any garage or service station would utilize if an individual asks for a receipt for gasoline purchases.

Mr. Tchorzewski: — Mr. Minister, I hear your answer and yet I hear your officials were quoted as saying that to claim your tax rebate, people are going to have to turn in receipts which contain not only their name and the date of the purchase, but the volume of the purchase and the location of the purchase.

Now, Mr. Minister, will you clarify the statement of your officials when they made that comment on the media yesterday?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I don't know whether the hon. member's allowed to have a credit card or not, Mr. Speaker. But on most credit cards, one can simply indicate the forms that the service stations use. They put down the list of what it's for — fuel or for oil or repairs or whatever. And it's a standard form that they all use. It's dated; it has the name of the service station on it because they run the card through and the customer signs. I'm

assuming that they're honest and they'll sign their own names. So given that, and with the name on the card, I think the hon. member is making a mountain out of a molehill and that people will not see it operate any differently.

Mr. Tchorzewski: — Supplementary question, Mr. Speaker. I want to remind the minister that my credit rating in 1982 was a lot better than his is in 1987.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I also think the minister should take note that there is a lot of people in this province who don't have credit cards and choose not to have them.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Particularly because of the kind of rip-off that credit card agencies take in interest charges, as we all know.

Now, Mr. Minister, my supplementary question to you: this kind of red tape which you have brought forward in your proposals for this taxation is going to discourage a lot of people from ever claiming your tax rebate. A lot of people who will lose those receipts of theirs and will not be able to claim or forget where they are.

Is it not true, Mr. Minister, that even in your own budget documents you are counting on at least one-third of the people who will fill their tanks up, costing \$6 a tank more every time they fill it, not ever claiming their rebate, and therefore further exacerbating your tax grab on the public of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I can't believe the questions of the hon. member. I am not aware of a service station, if people want a receipt for the services — be it for repairs or oil or windshield washer fluid or whatever — that the garage or the service station wouldn't give them a receipt. They've been doing that for many years. If any member gets their car repaired, they get a receipt from the garage. They carry receipts, Mr. Speaker. It's a part of the normal course of business. And if they don't have the credit card receipt, then they can use . . . all they have to do is ask for a receipt. Now can I, Mr. Speaker, or should it be any government's obligation to make it mandatory for people to keep their receipts? That's obviously a different situation than envisaged by the members opposite.

I will assure the hon. member that the informational material going out to the people of this province will be encouraging them to keep their receipts. They don't have to. They do not have to keep their receipts. We will not make them keep their receipts, but we will encourage them to keep their receipts, Mr. Speaker, and the informational material will make that abundantly clear.

Some Hon. Members: Hear, hear!

Eligibility for Gas Tax Rebate

Mr. Rolfes: — Mr. Minister, I'll ask you a very simple and

direct question. Mr. Minister, I want to know who will qualify for this PC tax increase for the rebate. Do the school bus operators and urban transit systems qualify for any rebate from this 32-cents-a-gallon or 7-cents-a-litre PC tax increase?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I really didn't expect anything other than a simple question from the hon. member, Mr. Speaker.

Mr. Speaker, the individuals of course. We've made it clear. Certainly local governments will pay; businesses will pay the tax.

There was an adjustment, as the hon. member probably knows, with regard to rural school transportation cost which adjusted the formula so that the amount adjusted into that formula is over and above what they would pay as a result of the fuel tax. So as it applies to rural school transportation cost, the grant formula certainly took into account the increase in fuel cost. So obviously city governments, as we've and certainly the mayor of Regina has indicated, will pay the tax.

Mr. Rolfes: — Mr. Speaker, in determining my question I made it simple because I considered the source of the answer that I would be asking . . .

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, we do know that the school formulas did not take into consideration because there have been huge increases, but I will let that be, Mr. Minister. Mr. Minister, I want to know, I want to know from you: do you not recognize what a great impact that this will have on property tax increases in this province?

In speaking to the bus drivers of this province, they indicate to us they expect an increase, a \$1.9 million increase this year. That will mean an increase in property tax. Last night the city of Regina indicated that they will pay an additional half a million dollars. Saskatoon will be similar. That will mean increase in property taxes. Mr. Minister, I'm asking you again today: do you not agree that the rebate that the individual drivers will be receiving will be offset by the increase in property tax increases? Do you not admit that we will pay higher property tax increases because of the PC tax increase of 32 cents a litre?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — The increase in property tax will be up to each local government to decide whether they are going to pass it on. Some have chosen not to. Some have not raised their mill rates this year. Some fully recognize that constraint is necessary and have made their internal adjustments; other civic governments, local governments, have had mill rates. I think it fair to say that they've been extremely modest across the province this year. And they will certainly have an additional cost, I'm not denying that, nor have I ever denied that. I've made it specifically clear in the budget that the rebate would apply to individuals.

So certainly they will have an increased cost. How they manage that will be up to local governments. Some will find their efficiencies. Some will recognize that their mill rate levels are, perhaps, as high as they can be and don't intend to increase them, and look at other efficiencies. So for you to say that they will all raise their mill rates, I think, is not accurate, and it's not been accurate as a result of the budgetary process to date.

Mr. Van Mulligen: — Mr. Speaker, Mr. Minister, notwithstanding improved efficiencies, notwithstanding cuts in service, urban transit systems will have to increase fares to offset the increased costs that are posed by your gas tax. This means increased costs for the poor, the elderly, and students — the primary users of urban transit.

You are prepared to provide refunds for other individuals who are hit by your gas tax. Will you not concede that your gas tax is unfair, that it hits at the poor and the elderly . . .

Mr. Speaker: — Order. Order, please. Would the member please put the question.

Mr. Van Mulligen: — I put the question, Mr. Minister, will you consider, Mr. Minister, a program which will also provide rebates for those individuals who must rely on urban transit?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I would like the hon. member to recognize that not every citizen of Saskatchewan has the privilege of an urban transportation system. And some that do have urban transportation bus systems, obviously will have a higher cost. Whether they chose to pass that on to the riders of the transit system is a decision of the local governments. But some, I suspect, will choose to do so; others may not. Whether you want to interpret that they're all going to have massive increases, I can't say that. You've obviously had experience in civic government in Regina, and we know the tax situation in the city of Regina and the legacy you've left behind.

So all I suggest, Mr. Speaker, is that civic governments will be able to make those decisions. Whether the city of Regina wants to raise its bus fares to get another 500,000, or look for other efficiencies, I think should be within the purview of the civic government itself.

Cut-backs at Saskatchewan Technical Institutes

Mr. Prebble: — Thank you, Mr. Speaker. In the absence of the Premier, my question is directed to the Minister of Education. In 1982, Mr. Minister, you promised that a PC government would provide new jobs and new opportunities to Saskatchewan's young people. I believe you used the phrase "let's bring home the children." That was one of your campaign commitments.

Now in light of that commitment, how can you justify abolishing 1,100 student positions at Saskatchewan's technical institutes, knowing full well that your actions will destroy the hopes for an education for hundreds of Saskatchewan young people? How can you justify firing

142 technical institute instructors and staff unfairly, and cutting dozens of programs at our technical institutes, programs with long waiting lists for entry? Can the minister explain how those kinds of cuts in educational opportunities are supposed to encourage young people to stay at home in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, certainly it is our commitment to provide more opportunities for our young people as we approach the 21st century. And if one looks at the record and the record of this government from 1982 forward, as the hon. member referred to, despite the fact, Mr. Speaker, that we've had to make changes this year — despite that fact, Mr. Speaker — the record is still this. There are today in this province 1,700 more spaces, more training spaces, in our institutes than there were in 1982-83.

Mr. Speaker, that is in part because of decisions like the one to build the Prince Albert campus, Mr. Speaker. But it doesn't stop there; it doesn't stop there, Mr. Speaker. As part of this new and very exciting initiative in post-secondary education to set up the new Saskatchewan Institute of Applied Science and Technology we will be delivering more and more programming, not just in Saskatoon and not just in Moose Jaw and not just in Prince Albert and not just in Regina, but as the member so rightly referred to, to this entire province for the people and to the new regional college network.

And I will be offering those programs in the institute centres themselves, Mr. Speaker, at these new campuses, but in fact through the entire province through our new regional college network.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Well, Mr. Speaker, supplementary. Mr. Minister, you may say that you've created more spaces in technical institutes, but you won't have by fall after you've cut 1,100 positions.

Some Hon. Members: Hear, hear!

Mr. Prebble: — You may say that you're creating new courses in rural Saskatchewan, but look at Meadow Lake where 55 special interests are being cut and special interests courses are being cut in the community colleges, and two new university courses are being offered.

Now, Mr. Minister, my question to you is: can you explain to this Assembly and to the young people of Saskatchewan how you can justify creating a situation in which only one out of every four students that applies to our technical institutes will now gain admission as a result of your cuts? And how you can, at the same time as you reduce accessibility to education, force the students that are admitted to pay more, to have to travel further and, in many cases, to have their lives badly disrupted by being forced to move from one city where they're studying to another where they'll have to continue their studies? How can you justify that?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, the hon. member asks about the changes that we have made in our programming. Changes had to be made, Mr. Speaker. There was no point in continuing on with some courses that were out of date. There was no point in continuing with the duplication that we had in the system, Mr. Speaker. There was no point in continuing on with a system that didn't allow itself to build on its strength, that reduces duplication. We needed a more unified system, Mr. Speaker.

What students, what young adults are we doing a favour when you were faced with information like this, Mr. Speaker, where you had 14 available training spaces and only eight applied? Why have 14 if there was only eight wanting to take a course that in many people's minds has already become outdated? Are we not better to take those spaces and put them somewhere else, whether it be in the tourism industry, or the hospitality industry, or the high-tech area, or the technological, the new technologies, and have those training spaces available there? And I know, Mr. Speaker, that we're talking about change here. But, Mr. Speaker, we are not talking about change just for change's sake. We're talking about doing things differently and doing them better.

And, Mr. Speaker, the point that he raises about the increased cost of our young people have to travel further to take these courses because now they are being offered maybe in only the one centre of excellence as opposed to three or four— that point, Mr. Speaker, is exactly why. And I urge the member to look at this regional college concept. That is exactly why we want to offer more programming throughout this entire province because, Mr. Speaker, much as the headlines always are the cost of tuition fee, the big cost in the Meadow Lakes and the Weyburns and the Swift Currents and the Nipawins of the world are not the tuition fee, is the \$6,000 that they spend on room and board when they go to Saskatoon or Regina. And by allowing, Mr. Speaker, in the future, first and second year Arts and Science throughout this entire province, at home, is that not, Mr. Speaker, what this province is all about?

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order, please. I would just like to use as an example what happened now. We had a supplementary with a long preamble, and we had an answer that was much too long for the supplementary. And so I would like the questioners to tighten up the preambles. Supplementaries should have very short preambles; that's what supplementaries should have. And answers should be as short as possible as well.

Mr. Prebble: — Mr. Minister, you claim that there is not demand for the courses that students are taking. In fact, as I mentioned before, only one out of four students that applies to a technical institute is going to be admitted.

My question to you is, Mr. Minister: is it not true that in fact the reason why courses in the technical institutes in areas like dental assistants, dental therapists and nurses were cut, is because your government had already made

a conscious decision to cut back on health care and hire fewer nurses in this province; to cut, to completely eliminate the program for dental therapists, and therefore there was no need to hire and to train dental therapists in this province? Isn't that the reason why those cuts took place?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — As it relates to the dental auxiliaries, Mr. Speaker, we have had for the last year or two at least, I'm advised by my officials, some imbalance insofar as the therapists, the hygienists, and the assistants. And in fact many of the therapists ... there were not a lot of employment opportunities, not just as a result of this year's changes, but certainly over the past couple of years.

The examples the member uses, Mr. Speaker, as correct as they may be to the degree that they are correct, I guess I would point out to him that on the other hand, who are we doing a favour to when we had courses? And I could give examples — for example, in the refrigeration, air-conditioning area, when for the last five years, only one out of four were getting jobs, Mr. Speaker. Now is that doing anybody a favour by putting them into courses that were outdated, where there weren't employment opportunities? And we ought not stand here and decry the jobs of the past, and we will not continue to maintain some of those outdated courses. What we've got to think about is the future and make sure we've got the courses for the future in place because that's where the jobs are going to be for our young people.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Final supplementary, Mr. Speaker. Mr. Minister, everyone was shocked when you fired 142 technical institute instructors without any consultation whatsoever. Those firings and disruptions are literally destroying the technical institutes.

I ask you — my question to you is, Mr. Minister: before the damage to our educational system becomes impossible to repair, will you admit that you've been unfair to students and to institute instructors, and will you therefore commit your government to hiring back the 142 technical institute instructors that you fired, to reinstating the programs that you cut, and promise not to make future changes to institute programs without full consultation with the institutes affected. Will you make that commitment, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, no, I will not reverse my decision to remove out of date courses. I will not reverse my decision to eliminate duplication in the system. I will not reverse my decision to build centres of excellence in the four urban centres in this province. We are going to provide the jobs of the future and the training that those jobs will require for our young adults in this province, Mr. Speaker.

Some Hon. Members: Hear, hear!

Employment of Former MLA as Consultant

Mr. Shillington: — My question is to the Deputy Premier in the absence of the Premier. Mr. Deputy Premier, will you confirm for the Assembly, the taxpayers of Saskatchewan, that the former PC member for Moosomin, one Larry Birkbeck, is now working for the government as a consultant; and will you confirm that he's being paid at the rate of \$300 per day?

Hon. Mr. Berntson: — Not only will I not confirm that, Mr. Speaker, but I do not believe it to be true.

Mr. Shillington: — Well, I'm not terribly interested in what the minister believes to be true; I'm interested in the facts. If you're unaware of the facts, would you, at an early date, get the information and bring it back to this Assembly?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I will undertake to provide the member with that information, MR. Speaker.

Mr. Shillington: — New question, Mr. Speaker. I've asked the minister to bring the response back at an early date. The Deputy Premier will know that this is not the first time a former PC MLA has done much better in defeat than he did in victory. The former member from Saskatoon is making far more than he was when he was a cabinet minister. I ask you, Mr. Premier, how you can preach restraint to everyone else and pay defeated MLAs such exorbitant salaries.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I don't know what he's asking me to confirm. I've said I don't know if the guy is . . . I don't believe that the individual he's talking about is in the position that he's alluded to. I told him I would undertake to get him that information, and I don't know what more he wants at this point.

I might just reiterate, Mr. Speaker, that I have given him the undertaking that I will look into the matter and provide him with that information, and beyond that I really don't know what I can do.

Mr. Shillington: — Supplementary, Mr. Speaker. I ask you specifically to comment on the salary paid to Mr. Schoenhals. I ask you, Mr. Deputy Premier, how you can preach restraint to everyone else, cut dental programs, cut grants to the women's Transition House, cut the grants to the Mental Health Association, and how you can, in light of that, pay a defeated MLA some tens of thousands of dollars more in defeat than they made in victory? How do you justify that kind of a double standard?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I've already said that I don't accept what he has alluded to as being fact.

Hon. Mr. Lane: — Mr. Speaker, I have a response with regard to the federal Finance Minister's statements last night on tax reform. I will forward a copy, if I may, if the pages would . . . a copy, I assume to the Finance critic and also to the Leader of the Liberal Party, please.

Mr. Speaker, I will apologize as this will be, I believe, slightly longer than usual, but it deals with . . . It's not overly long, but it will deal with Saskatchewan's approach and response.

These changes announced last night by the federal Finance Minister will affect all Saskatchewan residents. Our government has been a strong proponent of comprehensive tax reform for some time, and in 1984 we spoke of the need to move towards a tax system that would foster a positive economic climate, while insuring that the tax system is fair in its treatment of individuals and businesses. We view the white paper on tax reform as a positive first step, but only the first step in a long public process.

The federal government has been co-operative in keeping the provinces advised of its initiatives, and we appreciate Mr. Wilson's comment s that the province's views will be sought, and Saskatchewan intends to participate fully in the reform process. To insure that the people of Saskatchewan are also involved, we will establish a committee within the Department of Finance with the mandate to consult with Saskatchewan people affected by, and interested in, the tax reform process.

With regard to the personal income tax system, that system has long required a major overhaul. It has become overly complicated with tax preferences, and burdened by tax rates which undermine incentives to work, to save, and to invest. The federal government proposes to replace numerous exemptions and deductions with tax credits. Inequitable tax preferences will be eliminated or significantly altered. These changes will substantially reduce tax-avoidance schemes and will enhance the progressivity of the person income tax.

Broadening the income tax base will allow the federal government to lower tax rates and reduce the number of tax brackets. The current system contains 10 rates, with a top rate of 34 per cent. When federal and provincial taxes are combined to produce top marginal tax rates in excess of 50 per cent, strong disincentives to increase productivity exist.

The federal government proposes to introduce a marginal tax rate structure for 1988 which will consist of three rates, with a top rate of 29 per cent. This will mean lower taxes for many Canadians and should encourage competitiveness, growth, and jobs.

We will be closely examining the impact of tax reform on the residents of this province. Our initial review indicates that employees and senior citizens will experience substantial tax savings. The proposals acknowledge the problems facing the country's farms and provide much needed clarification of the treatment of farm losses.

Further, we are pleased that the federal government has

MINISTERIAL STATEMENTS

Saskatchewan's Response to Federal Tax Reform

heeded our advice to continue the \$500,000 capital gains exemption on the sale of farm land. We will be seeking the input of farm leaders on several farm-related issues, including revisions to capital cost allowances for agricultural property and equipment, to ensure that the interests of our farm community are protected.

Our government will be closely examining the impact of the federal initiatives on the province's taxing authority and ability to generate revenues. We will be considering the federal proposals and the structure of provincial taxes in the context of the fact that, as they now stand, the federal proposals will mean a potential loss of \$30 million in revenue to the province in 1988-89.

With regard to corporate tax reform, I support the view that Canada must remain competitive with other nations, particularly the United States. The fiscal and economic implications of not reacting to the U.S. tax reform could be disastrous for all concerned. I am hopeful that the federal proposals will be able to stem the potential outflow of both people and tax revenues from Canada.

Most Saskatchewan businesses will not be materially affected by corporate tax reform, as base-broadening measures will be largely offset by lower corporate rates. On balance, the measures proposed by Mr. Wilson will result in increased revenues to the province in the order of \$12 million 1988-89. We are pleased that the federal government is proposing to reduce the general small business tax rate and that the \$500,000 lifetime capital gains exemption for small business is retained.

We are, however, cautiously reviewing the proposed increase in the manufacturing and processing small business tax rate from 10 to 12 per cent, since the zero rate in Saskatchewan on these businesses may well be lost.

Our government is concerned about the impact of the proposals on our resource sector which will face the loss of earned depletion allowances, the Canadian exploration and development incentive program, and the reduction of capital cost allowances. While we recognize that corporate tax rates can only be decreased if the tax base is broadened, we must carefully consider the effect of the changes on our resource sector before we endorse the federal proposals.

With regard to sales tax, the current manufacturers' sales tax is antiquated and inefficient. It suffers from a complex web of exemptions and tax rates; a bias against domestic production in favour of import-export production, distortions in consumer behaviors resulting in economic inefficiency, and an administrative burden for the business community.

Michael Wilson has identified several creative alternatives for restructuring and rejuvenating the sales tax. Each of these alternatives has its own attractive features. I see merit in the proposal for a federal-provincial multi-stage sales tax since it would serve to reduce economic distortions, improve our export competitiveness, and minimize taxpayer compliance costs; in conjunction with the refundable sales tax credit, provide a great degree of progressivity to the tax system.

However, before such proposal can be realized, there are a number of issues that must be addressed. The province would have to agree to significantly alter its tax base to match the more comprehensive base proposed by the federal government. Provincial flexibility to achieve social and economic objectives would be reduced. The issue of allocating sales activity among provinces would have to be resolved, and administrative structures designed to minimize the paper burden on the business community would have to be established.

Saskatchewan's suggestion for a commission for businesses collecting the proposed sales tax is a positive first step in developing solutions for these issues. As we work with the federal government to resolve these and other important issues, we will be better able to judge which of the federal alternatives, if any, is best for Saskatchewan residents. We will only endorse changes to the tax structure if and when we are fully confident that they are in the best interests of the people of Saskatchewan.

In conclusion, I commend Mr. Wilson for undertaking this complex issue of tax reform. As I indicated at the outset, this is only a first step in a long public process. Saskatchewan will continue to work aggressively to protect the interests of Saskatchewan people and businesses. We will ensure that Saskatchewan people are involved in the development of our positions. The objectiveness of fairness and efficiency must be served by the tax system now, and into the next century. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you. Thank you, Mr. Speaker. I listened with care to what the minister had to say, and I can only conclude that hearing, once again we have heard another example of this provincial Conservative government defending the federal Conservative government and Conservative Party at any cost, even though it costs Saskatchewan people a great deal. The Minister of finance would put up such a great fight with the federal government with regard to established program funding, transfer payments for post-secondary education, and health care, that in his budget he now shows tens of millions of dollars less this year than we received last year from the federal government.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I suggest to you, Mr. Speaker, that what we're going to see is that whatever Brian says, Grant will do. Even though there are some positive aspects to the white paper proposals which the Minister of Finance in Ottawa mentioned yesterday, such as the approach to tax credits, such as going in the right direction on capital gains, the one way one can describe this so-called tax reform, is not tax reform — it can only be described as tax fraud.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, it's a hoax — it's a hoax; it's a shell game. If it is a tax reform, it is a tax reform

for the rich; clearly it's a tax reform for the rich. Well the members shake their heads. Well they should listen to this. People who are earning between \$15,000 and \$30,000 a year are going to get a tax reduction of \$320. People who are earning over \$100,000 a year are going to get a reduction of \$11,365. This is a tax reform for the rich, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — What Mr. Wilson did not say, and this Minister of Finance does not recognize, is that over the last three years the federal government has increased taxes on every Canadian citizen on the average of \$1,300 a year.

Now they are saying they're going to reduce taxes by \$320 a year, and at the same time Mr. Wilson states clearly that he's broadening the sales tax base so that all of that small saving that these people are going to get is going to get taxed back by the federal government.

And the Minister of Finance in Saskatchewan helps them out by imposing, again, a massive tax increase in his budget the day before Mr. Wilson made his tax proposals.

Further to that, Mr. Speaker, I caution the people of Saskatchewan and Canada to think of this — don't get too optimistic about what Mr. Wilson says, because with all of what he has done, he also has positioned himself after the next federal election, through the new sales tax, to bring about the biggest tax grab that this country has ever seen.

The minister boasts about the federal minister's reform of the corporate tax system. Well it's true that there are some loopholes that may be closed, and we welcome that. But here are the corporations who have been paying less and less than their proportional share of the tax base in Canada, getting another decrease in the corporate tax rate.

I have a few more things that I want to say about this in my remarks when we get into the budget speech debate, but I wanted to rise and make these points, Mr. Speaker, because I think they clearly show that we once again have a shell game. We have the same kind of approach being taken by the federal government, a Conservative government, as we have had in Saskatchewan: raise expectations, make a lot of promises, and then when you get the chance, when they're least suspecting it, break every single one of those promises.

Some Hon. Members: Hear, hear!

Mr. Speaker: — Why is the member from Assinibioia-Gravelbourg on his feet?

Mr. Goodale: — Mr. Speaker, I wanted the opportunity available to respond to the minister's statement.

Mr. Speaker: — According to the practice of the House, that has not been the tradition in this Assembly. And I will quote from a point of order which was raised in this House, and ruled on, on April 29, 1985, which said this: before orders of the day the member for Regina North

West in his point of order, sought the right to reply to the ministerial statement. Mr. Deputy Speaker, rules that it is the practice of this Assembly to allow only recognized parties the right to reply to ministerial statements.

Based on that ruling, and on the previous tradition of this House, I must deny the hon. member the right to reply to the ministerial statement.

Mr. Goodale: — Mr. Speaker, on the point of order, then may I, in the interests of fairness, beg leave of the Assembly to . . . (inaudible) . . .

Leave not granted.

(1045)

ORDERS OF THE DAY

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

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

Mr. Tchorzewski: — Thank you, Mr. Speaker. I am pleased to be able to continue my remarks which I began on the day that the minister presented his budget. There is a number of things which I want to yet say, and I can assure you, Mr. Speaker, that my colleagues on this side of the House have a lot of things that they want to say on behalf of their constituents, and on behalf of the hundreds and thousands of people who have been so cruelly abused by this budget which the minister presented the other day.

When I began my response to the budget on Wednesday, I called it a budget of betrayal. I have gone to several places throughout Saskatchewan since that day, and I can tell you, Mr. Speaker, that that is exactly what the citizens of Saskatchewan are saying as well. And the more I study the budget now that we've had it for a couple of days, and the more I look at the government's detailed spending estimates, the more convinced I am that betrayal is the only description for it. This budget betrays the trust the people of Saskatchewan placed in the Premier and his government. It betrays their trust by breaking every major campaign commitment that this Conservative Party on the other side of this House has ever made.

The promise to cut everyone's income taxes by 10 per cent was first broken in 1985 with the introduction of the unfair Conservative flat tax. This budget increases the flat tax by 50 per cent. And it even fails to revise the tax to ease its impact on low and middle income people. The promise to cut income taxes has been betrayed.

The campaign promise, Mr. Speaker, to eliminate the provincial sales tax has been broken. The budget increases this tax instead — the most regressive of all taxes from 5 per cent to 7 per cent. And the promise to eliminate the sales tax has been betrayed as well.

The campaign commitment which many people believe won the Conservatives the election in 1982, the elimination of the gasoline tax, has been tossed aside. Starting next Monday, the price of gasoline and the diesel fuel increases 7 cents a litre, and today in question period the minister yet cannot clearly explain how it's all going to work. Between him and some other statements that his officials have made, there is a total contradiction, causing confusion and frustration. The promise never to introduce a gas tax has been betrayed, Mr. Speaker.

The campaign guarantee that the Conservatives would never undermine medicare has been forgotten. Our health care system is under attack with this budget as never before — even more than in 1968 under the government of the former independent member who sits in this House, the member from Assiniboia-Gravelbourg. And perhaps, Mr. Speaker, this is the greatest betrayal of all because it hurts those least able to fight back. It punishes the sick for this Conservative government's mismanagement.

Yes, Mr. Speaker, the betrayal — and the word “betrayal” is the right word, and perhaps it's the kindest word that one can use to describe this budget plan.

I watched the minister with some care and listened with equal care to what he had to say. And normally the Minister of Finance stands in his place behind his desk and he reads his budget speech. For all of the years I have sat in this House, this is probably the only time that I've watched a Minister of Finance who wished he could be under his desk and make his budget speech.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — He certainly had nothing to be proud of on Wednesday. For months, he and his colleagues have hidden from the public, and they've hidden from this legislature. They've written the budget speech piece by piece in scrums in the hallways of this building, or press releases. They avoided the debate and the questions of this Assembly. They sat, and they waited in ambush, and pounced on those who have no or little voice or who have no means of protecting themselves — such as the Voice of the Handicapped, such as students who receive all this devastating news at a time when they're writing their final examinations. It reminds me of the same tactic that is used in the guerrilla warfare, where you attack and you destroy anything you want, and whoever gets hurt in the process doesn't matter. That's the process that we have seen brought forward in this budget-making by this Minister of Finance and by this government.

Now, Mr. Speaker, earlier we had some brief comments on the federal government's white paper on tax reform — and when I say tax reform in the context of that white paper, somehow it doesn't sound right.

The Conservative government here in Regina has misled the people of Saskatchewan time and time again. It has broken every major commitment it ever made to the people of this province. And Saskatchewan people have been deceived so often by this government that I doubt

they will believe anything that they ever have to say again.

Last evening in Ottawa we found out that this conservative tendency to mislead the public is not restricted to Saskatchewan. When it comes to misleading the people, Mr. Speaker, a Tory is a Tory is a Tory.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now Finance minister Michael Wilson introduced a package of changes which he called “meaningful tax reform.” As I said in my response to the minister, it may be a tax reform, but it's a tax reform of the rich. And I repeat again, for the record, what's happened: under Mr. Wilson's proposal, the person income tax bill for families with incomes between \$15,000 and \$30,000 will decrease by \$320, but he personal income tax bill for families with annual income over \$100,000 will decrease by \$4,365.

And along with that, Mr. Speaker, there was so much talk in this white paper about doing away with exemptions and deductions and providing tax credits. Well those exemptions and deductions are gone for you, Mr. Speaker, and they are gone for me and people like us all over Saskatchewan. But the \$15,500 RRSP (Registered Retirement Savings Plan), the maximum of which only the wealthiest can contribute to, was left as an exemption for the rich. That's tax reform? And the Minister of Finance for this province stands up and he praises that kind of tax reform.

As usual with a Conservative announcement, the personal income tax changes are only part of the story. Mr. Wilson is also proposing a number of ideas for a new federal sales tax, each of which would more than offset any personal income tax cuts for low and middle income earners. They will indeed have to pay more.

You might think of it this way: the Mulroney Tories are going to take less out of your pocket with the hand they know you see — income taxes — but at the same time they'll be taking much more out of your pocket with the other hand, the one that you don't see — a new federal sales tax. And as I said earlier, they say they will give low and middle income earners a \$320 tax reduction, but they're going to take it away with the sales tax.

In typical Conservative style the government is proposing to introduce the income tax cuts just before the next federal election, but it proposes to wait to introduce the new federal sales tax system until after the next federal election.

As much as Mr. Wilson will try to paint his changes as an effort to close tax loopholes for corporations, the facts are that under his plan 60,000 profitable corporations will continue to pay no tax at all. And the corporate tax rate has been reduced. Although he has closed a few tax loopholes — and we congratulate him for that; he's closed some of them for big business — the great majority in fact remain in place. And as far as I am concerned, I'm not holding my breath just yet, because what he says may change very greatly after the lobbying and the funders of the Conservative party have taken the time to tell Mr.

Wilson what may happen to his political funds if he doesn't move back on some of those loopholes which he now says he's going to close.

If the Mulroney government had closed all the tax loopholes available to large corporations and really gone after all of the tax breaks and gimmicks which are available to wealthy investors, Ottawa could have collected billions of dollars a year in new revenues and substantially cut the tax burden for ordinary people.

And that's important for Saskatchewan because Saskatchewan's share of that new tax revenue would have been \$500 million a year. Instead, Mr. Wilson's own documents show that the Saskatchewan treasury will actually lose \$1 million over the next three years, thanks to this conservative version of tax reform. And I didn't hear the Minister of Finance of this province saying anything about that in his remarks.

As I said, Mr. Speaker, it is true that this tax reform, although it has some positive aspects in the tax credits, depending how they're applied, and in the direction that it seems to be taking on capital gains. It is a hoax. This tax reform is a hoax, because after taxing people with increased taxes on the average of \$1,300 over the last three years, the Minister of Finance in Ottawa is now saying he's going to reduce their taxes by \$320. They have had a major net tax increase and they still have to have it. And he will take all of that \$320 reduction back by sales tax because of the way it is now going to be applied on many other commodities.

Mr. Speaker, I urge the Minister of Finance in Saskatchewan, and Mr. Wilson, the federal minister, to go back to the drawing boards again. I urge him to introduce real tax reform which will ease the tax burden for ordinary people and close all of the loopholes for big business and the rich. And I say to the Minister of Finance, in all sincerity, he shouldn't pass up this historic opportunity because it may not come again from some time — unless, of course, there is a New Democratic government in Ottawa after the next election.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, a government is judged not only by the things that it does; a government is also judged by the way it does them, both here in the province, in the provincial scene, and also in Ottawa as well.

The people of Saskatchewan will not soon forget that this legislature was recalled and this budget was presented only after the threat of legal action from the New Democratic Party caucus. The government's budget year began on April 1, some two and a half months ago, but the Premier refused to recall the legislature or present a budget plan until this week.

That decision created confusion and concern for school boards, and hospital boards, municipal councils, and R.M. councils, and others who depend on provincial government funding, but the government arrogantly refused to reveal its budget plan. Instead, it financed government operations with cabinet orders called special

warrants.

Do you know Mr. Speaker, that between April 1 of this year and the resumption of this legislature, the provincial government spent \$928 million by cabinet order? Sometimes tens of millions of dollars, signed by one minister who signed as the acting minister because the minister who was really responsible wasn't there, then signed as the acting minister of finance because the Minister of Finance wasn't there, and then signed on behalf of the Premier because the Premier wasn't there. What kind of irresponsible action is this when one minister can take it upon himself to sign a special warrant on behalf of all of those people without the appropriate kind of scrutiny?

(1100)

Instead, Mr. Speaker, of having a session, and having a budget, timely in this House, the government chose to do it in secret and avoid the democratic process. Nearly \$1 billion spent without public discussion or the prior approval of the people's elected representatives in this legislature. Nearly \$1 billion spent in the closed door seclusion of the cabinet chamber with the public informed only after the fact. This arrogance, Mr. Speaker, and irresponsible act is wrong. They think that the public's money is the cabinet's money; they're to do as they wish.

Now at our request, the Legislative Counsel, the independent officer of this Assembly, produced a written legal opinion of the government's actions and she wrote that they appear to be illegal. This government is so arrogant that at first it refused to even consider this legal opinion and instead chose to publicly attack the Legislative Counsel — unheard of in this province before.

Finally, Mr. Speaker, under threat of legal action from our caucus, and even more so, I might say, from strong public pressure, the legislature was recalled. And I think that the Saskatchewan people should know that from this example, by joining together, they can put a stop to this government — if not this month, if not this year, then certainly at the time of the next election.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — But, Mr. Speaker, in spite of this the arrogance continues. We saw it yesterday in this Assembly. New Democratic caucus members have had more than 500 written requests for information sitting on the order papers since last December. That's more than six months. And these written questions cannot be answered until this Assembly has passed a motion ordering them answered.

Yesterday afternoon, we asked the Conservative government to deal with these requests for information so that the various departments and agencies of the government could be told to get on with the job of compiling the information. And what was their response, Mr. Speaker? It was no. Second day into the session and they want not to sit and do the work of the people. The government just didn't feel like doing it. On only the second day after a six-month adjournment the

government didn't have any legislative work of its own to present, but it still refused to deal with our requests. And so what did the government do? Well rather than debate these requests for information which the public has a right to know, it moved adjournment for the day, after the legislature had been sitting for only one hour and ten minutes. And Mr. Speaker, that's arrogance. But I think it's important for the people who watch these proceedings, and this morning, to know what kind of information New Democratic MLAs were asking for. We ask the government to make public basic information like some of the following: how much money is it spending on out-of-province travel, such as the Premier's exotic trip to Japan? That one we will yet ask.

How much public money is this government spending on advertising, most of it political? How much it is paying high-priced, patronage appointments like George Hill, the former president of the Conservative Party, and Paul Schoenhals the former Conservative cabinet minister? How much money is it spending on outside consultants, Mr. Speaker? There are 528 requests for information in all. The government has refused to answer or even deal with any of them for more than six months.

The ministers, Mr. Speaker, obviously have something to hide, and want to do so for as long as they can, and even the Provincial Auditor doing his job has indicated that information must be provided in a timely way in order that it remains important. The same government which pleads poverty and says that taxes will have to increase and public services will have to be cut, won't tell taxpayers how it's spending their money.

This government says public expenditures . . .

Mr. Speaker: — Order. Why is the member from Arm River on his feet?

Mr. Muirhead: — Mr. Speaker, I would ask leave of the Assembly to introduce some students.

Mr. Speaker: — The member has asked for leave. Is leave granted?

Leave granted.

INTRODUCTION OF GUESTS

Mr. Muirhead: — Thank you. Mr. Speaker, it is with pleasure that I would like to introduce to you and the members of the legislature 38 students from Hanley Composite School from Hanley, Saskatchewan. They are grades 4, 5 and 6. They are sitting in the Speakers' gallery. They are accompanied by teachers Ian Obrodovich, Evelyn Roden and Janet Akre; bus driver Hank Petkau. I would like to thank them for coming to the Assembly today, and I will be meeting with them for drinks and questions. And I would like all members of the Assembly to join with me in welcoming them here and wishing them a good summer and a safe trip home. Thank you, Mr. Speaker.

Hon. Members: — Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Deputy Speaker. I

too extend my welcome and the welcome on behalf of the caucus of this side of the House to the students who are here.

Hon. Members: — Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

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

Mr. Tchorzewski: — As I said before the member interrupted to introduce the students, Mr. Speaker, this government chooses to make public expenditures in the secrecy of the cabinet and then tells the public, who they are supposedly representing, that it's none of their business what they do. And I want to close my remarks on this topic by simply saying that this attitude is wrong at any time. But it's especially abhorrent at a time when the government is raising taxes and cutting services and preaching restraint. The government — any government — has an obligation to prove to the public that it is practising the restraint that it is preaching. Instead, this government has chosen on to be accountable.

Now I want to talk for a few moments, Mr. Deputy Speaker, about the government's refusal to account for the public for its actions, because the true essence of any democratic system is accountability. That refusal to be accountable to the public was underlined the day of the budget speech by a second document which was tabled in this Assembly — the annual report of the Provincial Auditor.

The Provincial Auditor, as you know, Mr. Deputy Speaker, is an independent officer of the Assembly. His job is to report to all MLAs about whether or not the government of the day is spending public money with proper authorization, and to report to the legislature when there are deficiencies in the way the government has administered public funds.

And the first thing I want to note is the lateness of the Provincial Auditors' report. This report, Mr. Deputy Speaker, is for the budget year which ended March 31, 1986 — some 14 and a half months ago. Why was the Provincial Auditors' report so late?

Well first, the provincial government's financial statements are in such a mess, and he says so, that it took longer than usual to try and review them. And second, as part of its attempt to muzzle the Provincial Auditor and avoid public accountability, the government has cut his budget and his staff. But yet, in spite of these difficulties, the Provincial Auditor has given taxpayers a thorough report which was one of the most critical in decades.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — From cover to cover — from cover

to cover you see that the provincial government has taken steps to avoid public accountability. In January, without consultation with the Provincial Auditor, this government instructed Crown corporations to hire private accounting firms to audit their books. And it informed the Provincial Auditor that his responsibilities with respect to review of Crown corporation finances would be limited from now on.

This, the Conservative government has done once again by cabinet order, even before it has introduced the required amendments to The Provincial Auditor Act. This is an obvious attempt by the government to avoid public accountability for its extravagant and wasteful spending in the Crown corporation.

The Provincial Auditor was also extremely critical of the government's delay in the release of the public accounts. The public accounts, as you will know and most of the public will know, are the detailed dollar-by-dollar accounting of how the government spent the public's money in a given budget year. And normally those public accounts are released about six months following the close of a budget year. However, the public accounts for the 1985-86 budget year, which ended more than 14 months ago, still haven't been made public. There is no legitimate reason for this kind of delay, and I submit to you that the only reason we haven't seen the public accounts is that the Conservative government opposite is afraid to show the public how it has been wasting their hard-earned tax dollars.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Speaker, I raise these examples, and I remind you and the members of this House that that is only the tip of the iceberg of what is in this Provincial Auditor's annual report.

I'll give you one more example. The auditor reports that the government, without proper authorization, signed a lease for its new Hong Kong trade office, worth more than \$500,000. And on top of that, again without proper authorization, the government spent more than \$31,000 on furniture and fittings for the place.

Now, Mr. Speaker, let me put that kind of spending in perspective. This government, which preaches a restraint with unbridled passion, spent more than \$31,000 to furnish its Hong Kong trade office and then it cancelled \$34,000 of annual grant to the Voice of the Handicapped, pleading poverty. Double standard. Double standard, Mr. Deputy Speaker. Where is the fairness and the justice in that kind of spending?

And I think I'll give you another example. There is the example in the Provincial Auditor's report which shows how incompetent and careless this government is with the public's hard-earned tax dollars. On December 5, 1986, just a few days after the Conservatives lost the Regina North East by-election, the government issued a purchase order for more than one and one-half million dollars U.S. to buy a used aircraft from an American company. The government spent \$25,000 in a deposit along with the purchase order. By then somebody looked at the big loss the government had suffered in the Regina

North East by-election and decided that it might not be the right time for the cabinet to be seen purchasing yet another executive aircraft. Remember that this was . . . I bring to your attention this, Mr. Deputy Speaker, that this was just a few days after Jim Garner had resigned from cabinet for misleading the Assembly about his misuse of the government aircraft.

And so the government cancelled this order and lost its \$25,000. It lost the taxpayers \$25,000 — \$25,000 U.S. gone. That's more than a lot of Saskatchewan people make in a year, Mr. Deputy Speaker. And this government threw it all away because the right hand didn't know what the left hand was doing. Not only are they arrogant and insensitive, they're also incompetent.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — There will be many more of these examples, which will be pursued, I'm sure, when the Public Accounts Committee discusses the auditor's report.

I just simply want to say this: that the government which preaches restraint to everyone else, and demands more accountability from people like hospital patients and those in need of prescription drugs, refuses to account for how it spent \$3 billion of public funds, and that's not fair.

Some Hon. Members: Hear, hear!

(1115)

Mr. Tchorzewski: — Now you know, as one studies the budget speech and documents, it becomes really painfully obvious that this government and this minister just don't seem to know when to stop. People are being forced to pay more and more, but they're getting in return less and less in services.

And this budget continues that record of deception which I spoke about earlier. It's a chock-a-block with what Orwell called New-speak.

And let me give you a couple of examples from what I heard the minister given in his speech the other day. The Minister of Finance said on Wednesday that the Conservative government — and this will be particularly interesting to my member from university, Saskatoon University, who asked the questions — but the minister said that this Conservative government has improved the quality of education at Saskatchewan's technical institutes. And I quote from page 15 of the budget, when he said:

To reduce administrative duplication, develop areas of excellence and focus on skills that are in demand by employers, we have amalgamated the four technical institutes and four urban community colleges into a new Saskatchewan Institute of Applied Science and Technology;

You know how that translates, Mr. Speaker, and what the minister really should have said. He should have said we have fired 146 technical institute instructors; we have reduced the number of students' training spaces by

1,100, and we have wiped out dozens of training courses which had excellent graduate employment records. That's the doublespeak, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — The reality is simply not . . . and has nothing to do with what the words of the budget speech say, but that doesn't seem to bother this government.

There's another comment from the minister that I could almost not believe when I heard him say it, but I heard him say it, and it can be found on page 16 if you're interested. And it states, I quote:

I am pleased to announce that this Government is continuing its commitment to a high quality elementary and secondary school system by allotting \$14.5 million to the Education Development Fund this year.

And the minister stood with a straight face and praised this as a major move. What does it really say, Mr. Deputy Speaker? Here is the translation and what it should have said: we are cutting the education and development fund by more than half, because last year it contained \$35 million, not \$14 and a half million.

And there was another example when this minister talked about the rising cost of medicare and used the sharply rising cost as an excuse to cut health care programs like the prescription drug plan. And I ask the minister to be honest with the public: how will cutting the prescription drug plan reduce drug prices? Of course it won't reduce rising drug prices one single penny. All that it will do is shift the rising cost of prescription drugs from the provincial government to the sick. And if the minister is honestly concerned about rising drug prices, why did he and his government support the Mulroney government's drug patent law changes which will make low-cost generic drugs harder to develop and will thereby drive up the cost of prescription drugs even more?

Throughout this budget, Mr. Deputy Speaker, the government is trying it mislead and to deceive the people of Saskatchewan. It is trying to paper over the financial mess it has created, trying to convince taxpayers that they should be paying more and getting less. Quite frankly, Mr. Speaker, I don't think the people of Saskatchewan are going to allow themselves to be deceived again.

Now as I ponder the events of the next several days, I'm thinking that it's going to be very interesting to see who votes for the government's budget plan or cuts in public services and unfair tax increases. Interesting, not only for who on the government's side will vote for this destructive budget, but interesting also on this side of the House where the lone Liberal member or the independent member from Assiniboia-Gravelbourg sits.

I say interesting, Mr. Deputy Speaker, because this budget is basically the Ralph Goodale election platform. He was the politician who travelled the province last fall shouting a simplistic, single-minded strategy of cut, cut, cut. And this independent member is the one who said the deficit was Saskatchewan's only problem and had to be reduced

at any cost. Now these Conservatives are doing what the Liberal member preached last fall, and I'm wondering, is he going to vote for his own election platform? It will be quite interesting to see.

Today this independent member, Mr. Speaker, sheds crocodile tears and he talks of the need to fight budget cuts and tax increases, and ten months ago he proposed them. So I ask the member from Assiniboia-Gravelbourg if he doesn't find it a little uncomfortable sitting on the fence and keeping his ear to the ground all at the same time.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Some might call his stance hypocritical, but since that is not parliamentary language, I will simply call it less than honest.

Mr. Speaker, this budget is a Liberal budget as well as a Conservative budget. It's introduced by a Conservative cabinet Minister of Finance who is himself a former Liberal. It is the same formula that was tried by Saskatchewan's last Liberal government in 1968, and even that minister of Finance is quoted in the newspaper how this is the blackest Wednesday and the blackest budget ever in the history of Saskatchewan. He learned, but he Minister of Finance didn't learn. And so I simply conclude by saying, it's true what people say; you can't tell right wing parties apart without a program.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, I mentioned that I was curious about where the member from Assiniboia-Gravelbourg will be voting on this. I want to find out, and I'll be interested in trying to find out where the members on the opposite side are going to vote on this budget.

Let me remind them of something, and the public of Saskatchewan well knows. Let me give them some examples from the *PC Members' Service Bureau* which was provided to all Conservative members prior to the last election, to all their candidates, so that they could explain to the voters all of the great things that the Conservative Party has done. This is the Conservative gospel.

First of all, right at the top of the list, it said, under the heading "Progressive Conservative Government Accomplishments", it said:

Removed the gasoline tax, creating the lowest gasoline prices in Canada, at a saving of approximately \$250 a year to Saskatchewan families. Total savings since 1982 is \$621 million.

Well I say, Mr. Speaker, that the political party is judged by the promises it makes and how it keeps them. Well I'm wondering how some of the members opposite are going to vote for that provision in the budget in light of what they said in 1982, in this House, during the throne speech debate.

What did the member from Maple Creek say? Well the

member from Maple Creek stood in this House, solemnly said, and I quote:

Within seconds of taking office, we implemented the largest tax cut in the history of this province. We eliminated 20 per cent road tax on fuel.

And then she went on further, and she said:

We feel that if people are able to have more money in their pockets they will go out and spend that money. That in itself will generate jobs and economic activity in our province.

And I ask that member, and other members, what happened to jobs and economic activity in the province? Are they not as important any more?

Now the member for Yorkton, he also had some words of wisdom. He also had some words of wisdom. He said:

... before you can build on a muskeg, you must find the solid base before you can sink your foundation piles into it, and that is what we are doing.

And then he said, Mr. Speaker, and then he said:

But in spite of the muskeg, we have removed the sales tax on gasoline, which we had promised, on the first day we were in government. I don't know how much faster you can react than that.

And I think that the member from Yorkton should take note because I'm sure he will be getting a lot of people reminding him about what he said next. He said that:

... the removal of that tax did much to ease the anxiety of our people about their future and their financial security. (He said) A young man who had recently started a trucking operation in Yorkton advised me the day after the election that the removal of that tax made the difference between his either breaking even or going in the hole, and his making some profit this year.

Why, Mr. Member from Yorkton, have you forgotten this young man in this budget? Are you going to really forget him and people like him or are you going to vote against this budget, which you should?

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Your Minister of Finance maybe didn't tell you in caucus, but he told you today in question period that those people are now going to have to pay this gas tax. Now there's the member from Morse; he's always right. The member from Morse had a deep and passionate concern in 1982 about how the gas tax was affecting municipalities and school boards. And he said, and I quote:

... looking at some of the budgets that the school units have proposed during the past few months, I discovered that the rural division in Morse constituency will get a major benefit of almost two

mills. It's a transportation grant they don't have to apply for; it's a grant directly from the people to their own school system, or a saving on the taxes collected.

And he concluded by saying:

The rural municipalities will also have a cost saving in their budgets because of a reduction in the costs of energy of also nearly two mills.

Well, what has your Minister of Finance done, Mr. Member from Morse? He has betrayed your commitment to your rural municipalities and your school boards.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And are you going to vote for this budget in light of that betrayal? Are you going to vote for this budget and betray ... you and the member from Yorkton, the people that you represent, to whom you made all of these promises when you ran for election in both 1982 and 1983. If you do, all of those members who said these things, you will not be back in this House after the next election.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Speaker, probably the most significant comment that was made was one that was made from the member from Kelvington-Wadena. In his praise of the actions of the government in 1982, he said very clearly that this gasoline tax which the government had removed was an insidious tax. An insidious tax. Well, I simply ask him, when it comes to the day when we're voting on this budget, will that member change his mind and vote for the budget and vote for this insidious tax being reimplemented again? I say to him his constituents, if he does that, will not forget his actions.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I want to raise another example, Mr. Speaker, to indicate the betrayal that's taking place. One of the major actions of this government in its last term was the introduction of the Public Utilities Review Commission. And they introduced it because they said that the public has a right to control their government. It was their creation, it was their child, and members spoke about it in great praise. This Minister of Finance now has decided, and this Premier has decided, that that control of government is no longer important and that they want to rule according to the way they wish, behind cabinet doors, without ever consulting the people of Saskatchewan again.

Mr. Speaker, these people even eat their young. They destroy the things that they create when it becomes inconvenient for them to have them around. And I want to say that the people to whom they made the most solemn promises, the farm populations of Saskatchewan, the people in rural Saskatchewan, have been betrayed more than anyone else. In this election booklet, it said under Conservative accomplishments that they have established the farm purchase program which has helped over 5,000 young farmers start up or expand their

operations. The minister stands up in the House on Wednesday and he says, at a time when probably the farm economy is as bad as it ever has been since 1982, says it's no longer important to provide an opportunity for people to be able to have generational land transfers, and this program is gone. That is a betrayal.

(1130)

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, I have a few more things to say and, as I started to say earlier, the member from Qu'Appelle-Lumsden has some students to introduce and I will give him some time to do that.

INTRODUCTION OF GUESTS

Hon. Mr. Lane: — Thank you, Mr. Deputy Speaker. The hon. member, I appreciate the courtesy being extended. It's my pleasure to introduce to the Assembly some grade 4 and 5 students from Stuart Nicks School in Grand Coulee. They are 18 in number and are presently in the Speaker's gallery. I will be meeting with them a little later for question and refreshments. I hope very much that they enjoy the day, enjoy the rest of their day, and again I ask all members to join with me in both welcoming them to the Assembly and wishing them a very, very safe summer vacation. Thank you for joining us.

Hon. Members: — Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Deputy Speaker. And again our welcome to the students, and we hope that they enjoy their stay here and have indeed a good summer.

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

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

Mr. Tchorzewski: — If I may continue my remarks, Mr. Deputy Speaker. If there is any area in which the insensitivity of this budget is more clearly displayed, it's in the area of our social programs, and particularly health care. This destruction that we see of our health care program by these false defenders of medicare, more than anything else underlines the dishonesty of this budget. This government, Mr. Deputy Speaker, has driven a stake into the heart of medicare, because they have always believed that it was a monster.

It's dishonest because its stated purposes and objective to deal with the deficit is not the true purpose and objective of this government at all. The budget and all of the announcements leading up to it since March are deliberate attempts by this government to impose a radical Conservative philosophy on this province. This is a radical and a dangerous agenda. It is being put forth by a

Premier and Minister of Finance who live in the past, who want to turn the clock back 30 years. It is a minority using its power to tear down and destroy the very foundations of those institutions which have made this province strong and a leader throughout North America.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — The people who settled here and worked to build a strong and a sharing and a caring society, they built it together, sharing their skills and their dreams and their energies to make this province a leader and a beacon for others to follow. But this radical Conservative government, living in the past, has set out to destroy all of that. Somehow, somehow they believe that it's better for Saskatchewan people to depend on outside corporate interests to do it for us than it is for us to do it ourselves. And that's why the pulp mill was given away to Weyerhaeuser of Tacoma, Washington, of the United States.

And that's why Saskoil was sold away resulting in — and I want you to note this — resulting in 75 per cent of the privately owned shares being owned by people not resident in this province of Saskatchewan. And what have been results? They've been costly; they've been very costly, and they've been swift. One-quarter of the Saskoil staff were laid off soon after the sale, and most of Saskoil's new activity is not in Saskatchewan. Jobs and opportunities are being created in Alberta, not here in the province of Saskatchewan. The people of Saskatchewan built it, they took the risk, and they made it succeed. And this Conservative government, in the name of ideology, sold it away.

Mr. Speaker, let there be no mistake about it. The minister speaks of deficit reduction, but that's not really what this budget is all about. It's not a budget of deficit reduction, in their minds. This budget is about betrayal by this government, of its commitment to the people of Saskatchewan. This budget is using a deficit, some of which is fabricated, as an excuse to force on this province an ideology that people do not want. They are using the deficit as an excuse to dismantle important public services that, politically, the Conservatives have been afraid to do to this point.

So one has to ask: where is democracy? Where is democracy when a government, which received fewer votes than the official opposition, forces it destructive ideology upon a people whom they have betrayed. Mr. Speaker, whether it's the promise of balanced budgets; the promise to never reimpose the gas tax; the promise to eliminate the provincial sales tax; the promise to cut income taxes 10 per cent; or the promise of the farm purchase program, this provincial government has broken that promise.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — They seem to have this approach that a small number of individuals have the right to great economic wealth and power, and those with places of power, of influence, or those with connections have the right to lead lives of security and comfort and others do not. The Conservative philosophy, which we see in this

budget, accepts the idea of poverty amidst plenty.

We, in the New Democratic Party, reject that approach.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, poverty robs individuals of not only a decent standard of living but of their dignity as well. Somehow this government chooses to blame poverty on the poor. The blame for poverty is the fault of an economic system which is being forced on Saskatchewan people by this government. No one should have to live in fear of economic hardship because of a lot of things, including sickness. The trauma of ill health is enough without adding to it an expensive bill which many people can't afford to pay.

I ask: where is the justice, where is the fairness when this government gives a three-year tax holiday to the oil companies, and then taxes the sick and our children through cuts to dental programs, and does it in order that they can give this gift to their friends in the corporate sector?

I say, Mr. Deputy Speaker, that government has a meaningful role to play in the betterment of the human condition. By design, Saskatchewan has enabled its people to live in small cities and in towns and on its farms in some comfort, by the provision of grid roads and by public transportation and power and highways.

We see the wisdom and the strong need to continue to develop provincial systems with universal access and to put our technology and resources to use for the benefit of all common good. The resources of this province belong to the people, and the benefits from their development should be used to improve social and economic conditions. The tax structure should be based on ability to pay and used as a tool to redistribute wealth, and to provide equality of opportunity, and to provide basic services, and to enhance the quality of life for everyone and not just a few.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, as I approach my conclusion I just want to take a few moments and add to some of those comments, which is somewhat philosophical. And I want to talk about the government's philosophy. It's very important for people to understand the clear difference in philosophy between the New Democratic Party and this Conservative Party. Why do each of us do what we do? Why do we propose the ideas and make the decisions that we do? Well, as a New Democrat, I believe that what Tommy Douglas and other pioneers of the CCF New Democratic Party believed — that we should measure the success of our lives not by what we get, but by what we give. And what is true for each of us is true for society. We should measure the success of a province, or a nation, not only by its economic accomplishments but also by the quality of life that each of its citizens enjoys, from the richest to the poorest.

And government is an important tool to help achieve a better quality of life for our citizens. Government is

simply the community at large. It is the instrument by which we do for ourselves co-operatively what we cannot do individually. Saskatchewan people join forces through this government to provide them with public insurance to overcome the gouging by the private insurance companies. The Conservatives are threatening to turn it back.

They joined forces through their government to provide transportation from rural Saskatchewan through the Saskatchewan Transportation Company because the private bus companies refuse to serve rural communities. This government is threatening to turn it back. Saskatchewan people joined forces to take control of important natural resources like oil and potash through public companies like Saskoil and the potash corporation. This government is threatening to give it back to the corporate sector, out of this province. The oil and potash below our fields doesn't belong to Exxon or to IMC. It belongs to the people of this province. And we as citizens of Saskatchewan are allowing these companies to develop our resources in return for a fair share of the benefit.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now this government — and we've seen the evidence since their election in '82 — they say that these resources should benefit the corporations who develop them and we should be happy with the spin-off benefits from their development. This is a major example of how our two parties differ.

Since 1982 the Conservatives have provided the oil companies with tax holidays and other breaks which have cost our province more than \$1 billion in lost revenues. That was \$1 billion less to build hospitals or nursing homes or schools and highways. One billion dollars less for our technical institutes or our health care system.

We gave up \$1 billion in exchange for long-term jobs in the oil patch — they said. But as soon as the oil prices fell last year, the oil companies left and the jobs disappeared. So what do we have? The oil companies have our \$1 billion, but where are the jobs? The \$1 billion is gone, Mr. Deputy Speaker. The oil is gone — a non-renewable resource and the jobs are gone as well.

That's the legacy of the policies of this Conservative government. And my point, Mr. Speaker, is this: if Saskatchewan had continued to collect a fair share of revenues from the oil companies, that money could have been used to generate new economic activity throughout Saskatchewan which would have been lasting economic activity.

And I say that now that the oil prices have recovered, there is even less reason to provide them with the new tax holidays, especially at a time when the provincial government is pleading poverty and picking the pockets of ordinary people of this province as never before in our history. And resource policy is just one example of the Conservative philosophy which panders to the privileged at the expense of the many. I believe that philosophy is wrong — both morally and economically.

There is a positive important role for government to play in our economy, especially an economy as isolated from major markets as Saskatchewan. We can't rely on outside interests to do it for us. New opportunities will only come if government and co-operatives and small business and working people can together decide on the priorities and work together to make it happen. The Conservatives say it can't be done. New Democrats have more faith in the skills and the ability and the determination of Saskatchewan and its people than that.

Some Hon. Members: Hear, hear!

(1145)

Mr. Tchorzewski: — Mr. Speaker, I say that together we can build a better Saskatchewan in which everyone can share the prosperity, and not just the privileged few who might contribute financially to the Conservative party.

Now, Mr. Speaker, I have taken some time to say some of the things that I've said. There are many more things that I will want to say when we get into the estimates, and when we get into other debates, and so will my colleagues.

But in conclusion I want to say, Mr. Speaker, the people of Saskatchewan are saying that this is a bad budget. For all the reasons that I have cited, it is a budget of betrayal. Over the course of the next week each member of this Assembly will have the opportunity to speak to this budget and to vote on this budget. And the position, Mr. Speaker, of the New Democratic Party members is clear. We oppose this budget of betrayal.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — We oppose this budget of betrayal, and we will watch with great interest the comments and the vote of the Conservative members opposite. We will see if every one of the cabinet ministers vigorously and enthusiastically defends Mr. Lane's budget, the member from Qu'Appelle's budget.

We will note the vigour and the enthusiasm with which the back-benchers defend this budget. And, Mr. Speaker, we will see how they vote. Will the member from Regina Wascana vote for this budget which has eliminated the children's dental plan and fired hundreds of his constituents. We'll see. Will the member from Saskatoon Eastview speak out in favour of this budget that cuts funding for science and technology in half, and raises the sales tax to 7 per cent, and destroys Kelsey Institute and the Saskatoon community college. We will be interested to find out, and so will his constituents. Will the government back-benchers vigorously defend this budget that destroys the prescription drug plan, and attacks medicare, and raises the flat tax, and reimposes the Conservative gas tax. Will they vote for this minister's budget, Mr. Speaker?

I invite every single one of them to enter this debate. I invite them to consider very carefully the impact of this budget on their constituents; to understand that we will be telling their constituents how they voted. I invite them to vote for this minister's budget of betrayal, if they dare.

Mr. Speaker, for the reasons that I have mentioned I cannot support this budget.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I cannot support this budget, and accordingly I wish to move an amendment. I move, seconded by my colleague, the member for Riversdale:

That all the words after the word "That" be deleted and the following substituted therefor:

That this Assembly condemns and rejects the Budget because it is a betrayal of the people of Saskatchewan, and a betrayal of the caring, sharing, and co-operative Saskatchewan way of life, and further, because:

(1) It betrays medicare in Saskatchewan by arbitrarily limiting insured medical services, destroying the children's dental plan and the prescription drug plan, and attacking many other health care services;

(2) It betrays the people of rural Saskatchewan by attacking a wide range of needed services;

(3) It betrays Saskatchewan young people by attacking the education system and by providing totally inadequate job creation measures;

(4) It betrays Saskatchewan Senior Citizens, the pioneers who co-operated to develop this province, by undermining services they need and their security;

(5) It continues this government's betrayal of Indian, Metis, and of northern people.

(6) It betrays the working men and women of Saskatchewan by eroding the rights, security, and opportunities;

(7) It betrays all the people of Saskatchewan because it misrepresents the size of the deficit, and fails to acknowledge that this deficit has been caused by the government's failure to collect corporate and resource revenues and by patronage to the government's friends.

(8) It betrays the government's election promises to improve services and cut taxes, and instead imposes the largest tax increase in Saskatchewan history, thus demonstrating the government's policy of deliberate deceit.

I so move, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Speaker: — The debate continues on the main motion and the amendment.

Mr. Sauder: — Thank you, Mr. Speaker. I am pleased to rise today to take part in this debate on the 1987-88

budget. I first want to say what an excellent job the Minister of Finance did in presenting this budget to the people of Saskatchewan. It's a fine speech that clearly outlined this government's commitment to three priorities for Saskatchewan: to build, to protect, and to diversify.

I feel that in this budget our government is addressing a major challenge to the future of our province. It's an economic challenge, Mr. Speaker, a challenge that is forcing us to make difficult decisions. But there can be no question but that we must face these decisions, that we must change, or risk losing what we have.

Mr. Speaker, I believe that our government is making those hard decisions, facing the economic realities . . .

Mr. Speaker: — Order, order please. The member is hollering from his desk and certainly we don't want that to be going on in this Assembly.

Mr. Sauder: — In the past our province has been able to rely on the agriculture and resource sectors to provide revenue when we needed it. One or the other was always doing well enough that government could expect to have the resources it needed to provide for an ever increasing number of social programs. Over the time, the people of Saskatchewan have come to expect that the government will always be there whenever they need help. And indeed, Mr. Speaker, I believe it is the duty of any responsible government to help its citizens when they do truly need it. The key word here is "responsible."

Mr. Speaker, during the prosperous mid-1970s the government of the day liked people to believe that the prosperity that we enjoyed was the result of their management ability, and that as long as they managed the economy, everything would be all right. The farm economy was strong. The resource sector were enjoying high prices. Indeed, the government of the day seemed to be doing all right. But were they really? No, Mr. Speaker, I don't believe they were. They'd failed to plan. Somehow they liked to think that they were good at that, but they'd failed to plan for that day when the people needed their help.

Oh, they managed to spend a billion dollars of taxpayers' money buying resources that were already here — potash mines, uranium mines — but they didn't put anything away for a rainy day. And that rainy day came, Mr. Speaker. When interest rates went over 20 per cent and farmers were hit with droughts, they sat on their hands. When interest rates were over 20 per cent and people were losing their homes, did they help? No. They sat on their hands again. They said they couldn't help. They fought with the federal government and they yelled at the banks, but they did nothing to help the people of Saskatchewan. Why, Mr. Speaker? Because they weren't prepared to stand behind the real people when they really needed it. They didn't mind borrowing money to spend on potash mines and buying paper pulp mills and uranium mines, but they couldn't help the real people in Saskatchewan. They couldn't help the farmers. They couldn't help the home owners.

Mr. Speaker, the people of Saskatchewan had had

enough of that kind of treatment, and in 1982 they elected a province of Saskatchewan government to set things right. I was proud to be a part of that government, Mr. Speaker, a government that has shown its commitment to protect and serve the people of Saskatchewan like no other.

We introduced the interest rate protection for home owners, small businesses, and farmers. We began the long task of rebuilding our hospitals and special care homes system that had suffered neglect under the former administration. We introduced progressive social programs like the seniors' heritage program, the Saskatchewan Pension Plan for Saskatchewan citizens, a plan that gave them the opportunity to plan for their future and to put money away to help themselves when they needed it. And when droughts and flooding hit the farmers of this province, we responded and we protected them, Mr. Speaker. There was a cost to this, but it's a duty of a responsible government to do this if the situation warrants it, and I believe it definitely did.

At the same time that our government was working to protect the people of Saskatchewan, revenues were declining, continuing low revenues brought about by declining world prices for oil, potash, and other resources that we relied upon. Our government's options to control the deficit were limited indeed. However, with an economic situation as unstable as it was, tax increases on the scale of Manitoba's recent tax increases were not the answer. We did not feel that the people could afford to foot the bill through major increases in taxes such as they've had in our neighbouring province.

Indeed, Mr. Speaker, our government has decided to continue and intensify the processes of streamlining and consolidating government departments and to exercise increased fiscal responsibility. We cannot ask others to sacrifice until we get our house in order. That means making tough decisions like reducing the size of the civil service and reorganizing some of the Crown corporations and the departments of government. Laying people off and moving them around is never an easy or pleasant thing to do, but we must continue to make government more efficient and effective if we are to bring costs down.

As the Minister of Finance has stated, these civil service reductions will save the taxpayers of Saskatchewan some \$200 million over the next five years. Along with these internal changes, our government has also been reviewing its funding to third parties, which represent approximately two-thirds of our provincial budget. Our review has been thorough and fair. Many institutions and programs were examined to see if they could be streamlined or if they represented a duplication of services. Most grants were left at 1986-87 levels, while some were reduced, and most notably others, particularly in the field of health, were increased.

Mr. Speaker, as a member of Premier Grant Devine's Progressive Conservative government, I'm interested in all aspects of the budget and of the policies that they reflect. However, as legislative secretary to the Minister of Health, my colleague from Meadow Lake, I have a particular interest in sections of the budget dealing with our health care system. I'd like to talk about that for a few moments.

I'm very pleased, Mr. Speaker, to see that once again health care has been given a priority position within overall government expenditures. This year's health care budget is over \$1.2 billion, the highest amount in our province's history. Interesting to note that the members opposite think that's insignificant. Far more than they ever spent in their administration to provide the services in the health care field to the people of Saskatchewan.

Mr. Speaker, I listen with interest as some of those members opposite try to portray this government as one that doesn't care about health. They talk about dismantling medicare. Well, Mr. Speaker, if \$1.2 billion represents dismantling medicare, that's one of the strangest definitions I've ever heard.

Some Hon. Members: Hear, hear!

Mr. Sauder: — Strange, but understandable, considering where it comes from. The opposition would have us believe there'll be no dental plan. But check the facts. There will be a comprehensive, high quality program of dental care for all children age 5 to 13 in this province — up to 140,000 children. And this quality dental care will be provided at absolutely no cost to the parents. I call that a commitment to health care.

Take the drug plan. We have the most generous program of drug coverage of any province in Canada. We've modified the program in a way that recognizes the special needs of some groups in our society. The deductible for seniors is substantially less than that for other individuals and families, for those on social assistance, for special care home residents; and for people with long-term, disease-related drug requirements, there will be no change at all in the existing level of protection.

(1200)

As the Minister of Finance noted, Mr. Speaker, the cost of the drug plan has been rising drastically, by over 400 per cent since the program began in 1975. The changes we are implementing will provide a much greater measure of cost control, while still providing a high level of coverage to Saskatchewan people. And I call that a fair and responsible approach, Mr. Speaker.

Ever since taking office in 1982, this government has stated its commitment to health care. And it has done more than state it. It has consistently backed up that commitment with numerous initiatives to expand and improve health care services. I'm talking about initiatives such as the Wascana Rehabilitation Centre in Regina, the new cancer clinic in Saskatoon, the new chiropody program for seniors, special care homes in communities throughout our province, to name just a number of the many positive measures we've taken. Those initiatives have been reflected in the health care budgets which our government has presented. Over the past five years, health care expenditures have risen by 63 per cent. But more importantly, Mr. Speaker, the initiatives are reflected in better quality service and better access to services for Saskatchewan people.

I have had the pleasure of visiting many communities around our province, and I know they appreciate what

this government has done for them after years of neglect by the previous administration. Mr. Speaker, Saskatchewan people are realists as well as optimists. They know as well that our province is caught up in world-wide economic factors beyond our control, and they know that a responsible government must respond to changing circumstances in a fair but decisive way.

Our province was built by people who weren't afraid to face challenges, who weren't afraid to make changes when the need for those changes were obvious. Mr. Speaker, I believe that's demonstrated by this budget, by our Minister of Finance, and by our Premier — people who have the challenge to make the changes when they need to be changed, not to just live in the past, but to look to the future.

Mr. Speaker, health care in our province has never been a static thing. It was developed in response to changing needs and circumstances, to better serve Saskatchewan residents. We have reached a point where the system has become very large and very expensive. That in itself is not the cause for concern. On the contrary, our government is very proud of our substantial contribution to improving the system.

But the fact remains that we must critically examine some of the ways in which services are organized and administered. We must ensure that all our health care facilities are being effectively utilized. We must look for ways to build greater accountability into the system to encourage efficiency and appropriate service utilization. Mr. Speaker, this government makes no apologies for identifying these issues in plain terms and for indicating our intention to address all of them in a concrete way.

Mr. Speaker, the members opposite seem to have the strange notion that changing things automatically makes them worse. And they attempt to impute some sort of diabolical motives to our plans. If they wish to live in the past, that is their future, and I, for one, am quite happy to leave them here. I am proud to be a government that sees change as an inevitable, ongoing process, and that approaches it in a positive and dynamic way.

Mr. Speaker, this year's budget provides tangible evidence of this government's responsible and forward-looking attitude. Let me just cite one major example, once again, in the field of health. Among Saskatchewan's parents, and among our young people themselves, the problem of substance abuse is a growing and major concern. This government recognizes that our young people are the future of our province, and we're determined to provide the programs and facilities to help them avoid and overcome their health problems.

I am very pleased to see in this budget that this year the Saskatchewan Alcohol and Drug Abuse Commission will be receiving \$13.2 million, an increase of 69 per cent over the previous year. This will include over \$3 million for programs to deal with substance abuse in adults and youth. This is something that has been brought forward to me on many occasions as I've visited the schools and visited with students throughout our province, and they've expressed the concern that they have. Last week I had the occasion to attend the opening of a new alcohol

and drug abuse centre in one of our northern communities, and it was impressed further again on me the need for these types of programs.

What was particularly encouraging to me, at that specific opening, was the fact that on the board, in Creighton Alcohol and Drug Abuse Committee, they had three youth representing the high school students of that community who are active participants on the board and active supporters of it in the community, people who have a concern for their peers, for their fellow students, for the other young people in their community.

Mr. Speaker, this budget also provides \$1.5 million for another unique and innovative project. I'm referring to the Whitespruce Youth Treatment Centre near Yorkton, the first specialized youth treatment centre for substance abuse in Canada.

Mr. Speaker, by these few remarks that I've made I think you'll see that this is a substantial increase in funding, and the expansion of service is clear evidence that this government is indeed committed to health care and that we are responsible to changing priorities among the people of Saskatchewan.

This is a budget that has been presented by the Minister of Finance, that is effectively designed to meet the objectives that I stated earlier — of building for our province, of protecting our people, and of diversifying our economy and our base — diversifying so that we'll have the resources to provide for the programs that are needed for the people, to protect them, to provide the educational facilities, the health care facilities and the other programs that are needed.

Mr. Speaker, after listening to the members opposite as they presented their arguments against, and as they took away from what this budget had, it became very clear to me that we are on the right course. We are working for the people of Saskatchewan; we are looking to the future. Mr. Speaker, based on my remarks, I'm sure you will see that I will be voting against the amendment and am pleased to be able to support this budget address.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. I did not have an opportunity to join in the debate in the throne speech. It's the first time I've had an opportunity to speak in a general way in the Legislative Assembly.

I want to therefore thank the electors of Regina Centre for returning me for another session, another term of the legislature. I want to, as well, congratulate both opponents who, by and large, ran a reasonably fair campaign. I did have one complaint with respect to the Conservative candidate. I told him during the election I was going to raise it publicly if I was elected, and I am going to do so now. I do so because it involves complicity on the part of certain government departments.

My Conservative opponent handed out government pins, which must have cost a dollar, a dollar and a half each, to electors. He seemed to have an endless supply of Government of Saskatchewan pins which were handed

out on the doorstep. That's clearly inappropriate. I believe it's a violation of The Election Act. I think had anyone had taken him seriously we might have raised it, but no one did. He was clearly, however, getting very large supplies of pins from the department, I suppose, of Parks and Recreation. It was inappropriate for him to be using them; it was equally inappropriate for this government to be giving them to him. I want to register in a public way, Mr. Speaker, my complaint, not so much about my Conservative opponent, about the government departments which gave him an endless supply of pins. It was clearly wrong.

The English language is almost inadequate to describe the growing sense of outrage which Saskatchewan people have felt since the October election. I've seen some crass governments in my time, but this government really takes the cake. Since the day it has been elected, it has flaunted public opinion. Election promises were based around a promise to build Saskatchewan. We had expensive and irresponsible programs brought in on the eve of the election — the housing program. As soon as the election was over this government began to cut in the . . . And since the December election, one of the main goals of this government seems to be to avoid any kind of legislative scrutiny. That lay behind the reorganization Bill which we opposed in December. That lay behind this government's desire to avoid any kind of legislative scrutiny or any kind of accountability; lay behind the failure to call a legislative session in March. It's the first time in the province's history that we have not had a legislative session in the four months — or, for that matter, the five months — following January 1.

Mr. Speaker: — I believe the member for Yorkton wishes to introduce some students. Is leave granted?

Leave granted.

INTRODUCTION OF GUESTS

Mr. McLaren: — Thank you, Mr. Speaker. It's my privilege this afternoon to introduce some students, and this is rather unique because they are not from the province of Saskatchewan. They are a group of students, grade 6, from the Major Pratt School in Russell, Manitoba. And I would like to introduce through you, Mr. Speaker, to all members of the Assembly these students that are visiting our Assembly today. And of course the fact that they are from outside our province there's an extra warm welcome for them to be here.

I would ask that . . . Well actually the teachers that are with them today is Wayne Dunham and Jan Shauer, and chaperons Linda Royal and Judy Preston, and their bus driver Alvin Fingas. So with that we appreciate very much you coming to our province to visit us. We hope you enjoy your stay in Regina and the tours that you will be taking this afternoon. So I would ask all members to please welcome these students to the Assembly today.

Hon. Members: — Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE
(BUDGET DEBATE)

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

Mr. Shillington: — Mr. Speaker, the government has . . . the members opposite have sought to avoid both accountability and the force of public opinion since they've been elected. We have had no legislative session in the spring for the first time in the province's history. For the first time I remember, we have had a budget announced, bit by bit, week by week, in a fashion designed to — clearly designed — to downplay the importance and the interest in the budget itself.

The timing of the budget speech could not have been timed in a fashion designed more to avoid any sort of public interest. It came one day before the tax reform, about which I'll say more later; two days before the NDP convention; and during that time of year when children are getting out of school, holidays are starting, and the public interest in their public affairs is at a low ebb.

The desire to avoid any sort of public interest in what they're doing certainly extended to the minister's delivery, as my colleague from Regina North East so aptly illustrated. I have never seen . . . Finance speeches are traditionally a government's opportunity to tell the public what it is doing to outline their program and to try and attract interest and support — normally done with as much fanfare as the government can justify.

(1215)

We had a minister who is capable on occasion of a decent delivery of a speech, read it in a monotone, read it, and literally read it in an apologetic tone as my colleague indicated, and done with a desire to avoid not only interest for the public but almost a desire to discourage any sort of applause from his own member. And in that he was very successful. I have never seen a budget speech delivered with as little applause or enthusiasm from government members as we saw on Wednesday.

I say to the members opposite though, that you haven't been entirely successful in avoiding public attention. You have attracted a good deal of public attention. Throughout this province there's a sense of outrage which members, if they haven't felt . . . If the member from Esterhazy isn't aware of the outrage that your activities have attracted, then I say you'd better get back to your riding and spend some time there.

The public of Saskatchewan are outraged at what you have done, and if you don't know that now you're going to learn that at the time of the next election.

Some Hon. Members: Hear, hear!

Mr. Shillington: — It is interesting to look at where the budget cuts have come, and where they aren't. In the area of human resources — whatever that may encompass

now — the area of human resources designed, as the Premier once said, to assist and develop the Saskatchewan families. The area of human resources has experienced a 27 per cent cut in funding.

Virtually every subvote in the area of human resources is down, some of them very substantially. Women's services — and I take these in no particular order — the funding is frozen, which represents a reduction. In real terms, the staff is reduced by 45 per cent.

Youth services. All the ballyhoo which the Premier and members opposite have said about the need to assist youth shows itself up in a staff cut of 66 per cent and a funding cut of 38 per cent. That's the assistance which this government lends, by and large, to youth who are experiencing difficulty.

Not to leave the elderly aside, however, having hit the women and children, and not about to leave the elderly alone, senior services grants in the human resource department have been cut by 31 per cent.

With respect to Labour, I won't go through it item by item. I won't go through the Labour item by item. Suffice it to say that every subvote which traditionally was in the Department of Labour, with one exception, is reduced very substantially. The one anomaly is workers' advocates. If the Minister of Human Resources can tear himself away from charming such groups as the National Council of woman, if you think you can tear yourself away from bathing them in charm and good wit, perhaps you might prepare a speech and tell us what you think is going to be the future of this government's services to working people after this budget. It was bad enough before.

The one good thing that I said about the minister when he was appointed was he couldn't conceivably be as bad a minister of labour as his predecessor. I was wrong. He has actually been much worse.

Another area that was cut was the arts and culture. And here the cuts are very substantial, and I think they're going to be very damaging.

Archives has had their funding cut by 24 per cent. That's an area, Mr. Speaker, which we cannot make up. To the extent that we lose historical documents, they're gone, and they're gone for good. We may rebuild the roads, we may rebuild the buildings, but we cannot replace our history if we lose the tangible written evidence of our history.

The arts board has had their funding reduced by 36 per cent. Indeed, in the area of Parks and Culture, all of the grants to third parties have been reduced. This department has 34 subvotes; 14 of them are administrative in nature. They're up — up by 11 per cent. The grants to third parties in Parks and Culture are down by an average of 41 per cent.

And I think that shows the priority which this government has, and which it gives to groups which have in the past worked in partnership with the government which has provided funding, with the communities which have

provided volunteer labour, to build a better Saskatchewan.

I also want to register a note of complaint with respect to the cuts to the Provincial Auditor's office. I was aghast yesterday when the pages began to deliver the Provincial Auditor's report. That is about 10 times the size of any previous Provincial Auditor's report. I couldn't believe that that's what it was until I got my copy.

Clearly there is a very serious breakdown in this government's ability to manage public affairs. Notwithstanding the Provincial Auditor's complaints, and I'm not sure quite how the member from Kindersley is going to castigate this legislative officer, having described the Legislative Counsel as an NDP — I believe was your term — I'm not quite sure how you're going to describe the Provincial Auditor. I suppose you may call him petty or cheap. That's been some of your past comments with respect to the Provincial Auditor.

The Provincial Auditor's budget has been cut by 8 per cent. He is correct in saying he is not able to adequately do his job with his existing staff. An 8 per cent cut isn't going to make it any easier. And this again is an intentional effort by the government opposite to avoid accountability and to avoid legislative scrutiny.

Time doesn't permit me to touch upon the subjects raised by the Provincial Auditor. I just want to mention one in passing. It was alluded to by the member from Regina North East and that's the area of the Saskatchewan Property Management Corporation. This corporation is going to make a vital area of government almost impossible for this legislature to scrutinize.

The Crown corporation, as an intentional matter, has not functioned effectively since you people took office. You are now two and three years behind in your examination of Crown Corporations' reports. It's almost inconceivable, given your lack of interest, that that committee will ever do an adequate job until you're voted out of office. The only opportunity which we now have to scrutinize government spending, a key area, government spending on personal property, is in that corporation. It will not come before the Legislative Assembly, as I understand it. The individual subvotes will, but I will bet we're going to have some difficulty finding out from the individual ministers very much about the property management corporation.

It is obvious that the funding of the property management corporation is being used to jack around the figures. I want to give you . . . (inaudible interjection) . . . Cooking the books is really too mild a term; creative accounting's coming closer. Let me just give you an example of how the figures are doctored to achieve a given cosmetic result.

The Provincial Secretary, which has long had a very narrow responsibility, now has some 17 positions, carries as its share of the cost of the property management corporation 1.4 million. On the very next page, Public Service Commission, which has 99 employees, carries a third of that, 400,000. Clearly you are jacking around with the figures. Clearly you want to give the appearance

of spending less on the public service, the administration, and you put it somewhere where you think that nobody is going to have any interest in what the Provincial Secretary spends.

The results of the property management corporation, Mr. Speaker, are worse than what we feared they would be. It is going to be almost impossible to scrutinize this government's expenditures.

Mr. Speaker, it might be worthwhile to look for a moment at what's up. If these are some of the areas that are down — there're only some — let's look at what's up. Well, I think to the surprise of no one who has watched this government operate over the last six years, Executive Council expenditures for program services are up by 12 per cent. I want to say, Mr. Speaker, that this government has attempted to hide that fact by taking out of the Executive Council vote the subvote which traditionally carried the cost of the ministers' offices. You won't find that in there now. You find it spread out in each single department. That, I think, is clearly an effort to avoid putting in one column what you're spending on the ministers' offices.

This government, as was correctly stated by the member from Assiniboia-Gravelbourg, pays the highest level of salaries to its ministerial staff and has the largest staff of any provincial government in Canada. He said that, and that's correct. In an attempt to hide that, you take out of the Executive Council vote the expenditures on ministers' offices. If you adjust the figure for that, the spending by the Executive Council is up 12 per cent. And clearly those needs are there.

I recognize that the likes of Paul Schoenhals and Larry Birkbeck need a substantial increase in their living allowance — Gordon Dirks, another one — far more deserving, far more deserving than the women's Transition House, which had its funding cut; the mental health club, which had its funding cut and had to partially close — a club for mental patients, for mental people; then the By Ourselves, which had its grants cut; the Voice of the Handicapped . . . I understand how much needier the like of Paul Schoenhals and Larry Birkbeck are than some of those NGOs (non-governmental organizations).

The member from Nipawin gave us an interesting lecture on the history of health care in the province — spellbinding. He might have pointed out that the spending in MCIC is up 6 per cent. That's by and large what the docs get. So you've taken care of the docs. You've given them a 6 per cent increase. Other areas, such as funding for the mental health association, is down. You may think that's fair; members on this side do not.

Some Hon. Members: Hear, hear!

Mr. Shillington: — You can go through this budget item by item. The increases in spending are by and large to the affluent and the friends of the Conservative Party, and the cuts are to those who can least afford it. You have hit those who are least able to withstand it.

Justice is an interesting department to look at. This is a

department which has undergone a good deal of privatization. And indeed the rumours are it's going to undergo a good deal more before it's finished. Staffing is down by 24 per cent, but was there any saving? Ah, no. Spending is up by 17 per cent.

Clearly, Mr. Speaker, it is going to cost more to have prosecutions done through the private bar than it will through Crown attorneys. The process of abolishing Crown attorneys' positions, as you have abolished the entire office in Moose Jaw, is going to cost the province of Saskatchewan a lot more. No one pretends that you can hire prosecutors from the private bar as cheaply as you can hire the employees in the department. Every . . . (inaudible interjection) . . . Well you are showing us. The figures are right here. The Minister of Finance says, we'll show you. You've done that. Your staffing is down by 24 per cent; the cost of running this department is up by 17 per cent. That's the benefit of privatization.

Court services. If you want another example, court services have six fewer staff, but the spending's up by 14 per cent.

Another area that's up . . . the award for the highest increase goes to, guess what? — servicing the debt. By far and away the highest increase is the servicing of debt. It's up by a mind-boggling 43 per cent over last year.

(1230)

Indeed, there are only three departments which now spend more than the cost of servicing our debt: Health, Education, and Social Services. And by next year the debt will be in number two place, because it will exceed what we spend on social services. It's just a little behind it this year. Next year we will be spending more on the banks and the bond dealers and the brokers than we are on the poor and the injured in this province.

Saskatchewan Housing Corporation is up 94 per cent, and that's almost entirely due to a wholly irresponsible election promise for which you have been rightly castigated. The program should have been targeted to those who need it. The sight of mental health clubs which are closing; women's transition houses which are able to accept fewer battered women, on one hand, and Jacuzzis and saunas for the wealthy being paid for out of tax funds, on the other, is a sickening sight.

I want to spend a moment talking about privatization. I listened with interest to the member from Regina North East describe the benefits of privatizing Saskoil. It came to my attention because I read an article in the *Financial Times* of about a month ago, describing the privatization of Rolls Royce. There were many people, some of them hard-line capitalists, who said at the time the shares in Rolls Royce were given to the benefit . . . to the public, that you can't make capitalists out of people by giving them something. It's not the process by which private wealth is acquired or managed. At any rate, that's what was done.

Now some 82 per cent of Rolls Royce is owned by foreigners. The process was that the assets were sold at less than their cost, then sold by the British public to pay

for a vacation, or whatever; bought by shrewd Japanese and Germans. They now own Rolls Royce. The British no longer own the pride of the British transportation industry.

And that's happened in Saskatchewan. That's precisely what happened with Saskoil. Saskoil was sold at a very substantial discount to its book value.

An Hon. Member: — That's not what you said.

Mr. Shillington: — That is indeed exactly what we said: you're selling those assets for a lot less than they're worth. I know the quizzical looks of the ministers opposite because you have been embarrassed by what's happened to the Saskoil shares.

Some Hon. Members: Hear, hear!

Mr. Shillington: — The truth of the matter is that speculation is neither illegal, immoral, nor is it fattening for most peoples' pocket books. Those who speculated on Saskoil shares got burnt, as they so often do. That doesn't alter the fact that even at today's reduced price, Saskoil's shares are selling at a 30 per cent discount to that company's book value. They are still a bargain, even at today's price.

What has happened, as my colleague so ably pointed out, is that that asset has been sold for far less than it was worth. Eighty-two per cent of that company was owned by Saskatchewan people. After the privatization 18 months ago, now the figure is down to 56 per cent. After the new issue of shares, that'll be down to 43 per cent.

I want to spend a moment as well on tax reform, and I will be brief on the matter of tax reform. But I want to spend a moment on tax reform. Listening to the minister today describe tax reform, one would assume that this is a tax cut. Anybody who believes that with the serious deficit problems the national government faces we're actually going to have a tax cut, would believe anything. A tax cut with a budget almost one-third of which is borrowed, a tax cut is impossible. The only issue with respect to tax reform is not whether or not there's a cut. There will be no such thing for some considerable period of time. All we might achieve is a greater degree of fairness. And that's the issue — not, have we achieved tax cuts? It's impossible. But have we achieved a greater degree of fairness?

Clearly, Mr. Speaker, the answer is no. What we have done is to reduce income taxes which, with many faults, and there are many, is progressive and based on ability to pay. We have taken a tax load off of that; we have put it on to sales tax, which is not based on ability to pay, which is a consumption tax, and which is borne inordinately by low income people. That's not my idea of tax fairness or tax reform, to reduce income taxes, which are borne, by and large, by those able to pay and added to sales tax, which is borne inordinately by lower income people.

I say, Mr. Speaker, that the tax reform is a regressive step. It is less fair than it used to. A greater percentage of taxes are going to be borne by people with lower incomes, and that's not a particular measure, Mr. Speaker, which

I intend to endorse.

Some Hon. Members: Hear, hear!

Mr. Shillington: — And I don't think, Mr. Speaker, it's going to be endorsed by the Canadian public when it is understood.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, this government . . . there's an endless amount one can say about this government, all of it critical. Unfortunately time is not limitless. Others want to get into this debate. I think it's obvious. Mr. Speaker, that I will be voting for the amendment and against the main motion.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, I again count it a privilege and an honour to rise and speak in this Assembly, this time to speak in support of the budget delivered on June 17, 1987 by the Hon. Minister of Finance.

I want to begin my speech today by acknowledging the fact that these are not easy times for the individuals and the families of Saskatchewan. There are many actions being taken by your government that all of us would be more than happy to avoid. I have no doubt that in many cases it would be more politically expedient if we did. However Mr. Speaker, make no mistake that as the government elected on October 20 of last year, the people of this great province fully expect us to carry out their demands for a Saskatchewan that is ready to meet the future. The people of Saskatchewan are insisting that the government expenditures be reduced to manageable levels. They are also insisting that government must be responsive to the changing needs of society, and that priorities must be revised to meet those needs.

Mr. Speaker, the people of Saskatchewan are also insisting that government must provide the opportunities for the diversification of our economy. As important, Mr. Speaker, Saskatchewan people also want their government to continue providing the best health care and education in the country, and protection again difficulties over which they have no control.

As I listened closely to the Hon. Minister of Finance as he delivered the budget speech, it was clearly evident to me that the direction our government has taken will undoubtedly meet the demands of Saskatchewan people. Throughout the restructuring processes that took place prior to the budget delivery, I am proud that our PC government has instituted great measures of fairness and compassion when dealing with the need for restraint.

Mr. Speaker, as I said in my maiden speech to this Assembly, the leadership of Premier Grant Devine has been one of the main strengths of our government since its election in 1982. It is through his insistence that fairness and compassion have been considered regarding all aspects of the budget.

Mr. Speaker, Saskatchewan is experiencing very difficult economic conditions. The people of my constituency, the

Moosomin constituency, are fully aware of what it means to have their incomes slashed. Because of the protectionist attitudes of world powers, my neighbours and the neighbours of many of my colleagues have been forced to reassess their personal budgets and expectations. Because they have already faced this situation first hand, Mr. Speaker, they have encouraged and are supporting our government's attempts to reduce the size of government and increase its efficiency. As difficult as it may be, there is no doubt that only an irresponsible and foolish government would entertain the idea that one could do otherwise.

Some Hon. Members: Hear, hear!

Mr. Toth: — As your government, Mr. Speaker, we have come to accept the fact that we can no longer totally rely on our agricultural sector and our resource base to provide an ever increasing number of social programs and services that give rise to ever increasing expectations.

Mr. Speaker: — Order, please. Order, please. Order, please.

Mr. Toth: — We all know, Mr. Speaker, that our resource revenues have dropped 350 million in the past fiscal year, due of course to the glut of oil and potash on the world markets. The Health minister has pointed out many times that revenues from sales tax and personal income taxes will not be enough to cover health care level expenses alone.

For the next few minutes, Mr. Speaker, I want to concentrate on our health care system, one of the best systems there is in the world. Unfortunately, over the years our system has been allowed to evolve with a number of itinerant faults. Over the past five years these faults have become increasingly apparent as cost continued to escalate. The fact is, your PC government has increased spending on health care more over the past five years than any previous Saskatchewan government or any other western province.

While we have been able to make a number of improvement such as in the areas of ambulance services and home care, the time has come for a more thorough overhaul that addresses those areas that create a particular drain on limited funds, simply because of cost effectiveness was never built in from the beginning.

One such area is the prescription drug plan. The cost of the program would rise to 125 million by 1990, 7009 per cent more than in its initial year. Clearly, as your government, we feel a responsibility to bring the costs of the drug plan under control. In doing so, difficult choice shave had to be made, but controlling costs has not been our sole concern. Each decision regarding the drug plan has been made with consideration of our deepest concern, which is to protect those most in need without placing them under undue financial stress.

The new Saskatchewan drug plan does require many more able consumers to accept a greater share of the cost of drugs through a system of deductible levels. But many exceptions have been made. For instance, in recognition of the special circumstances of many senior citizens, a

significantly lower deductible level has been established for single seniors and senior families. Nor will there be any change in the drug plan for social assistance or residents of special care homes. Still other exemptions have been made for people registered under special programs such as those for renal disease, cystic fibrosis, and paraplegia. And special coverage for insulin and urine test agents for diabetics will also continue as before — special coverage that a constituent coming into my office the other day addressed and I was able to assure her that she would be covered and that she wouldn't have to carry the extra burden.

Although the changes to the drug plan are fundamental ones, Saskatchewan will still have an equitable and effective means of protection relating to the cost of prescription drugs. In fact, our drug plan is still equivalent to the most comprehensive plan in Canada. Only two other provinces, B.C. and Manitoba, have universal plans. In B.C., families pay a \$275 deductible, as opposed to the \$125 they will pay under Saskatchewan's plan. In Manitoba, both senior families and single seniors pay a \$75 deductible, whereas in Saskatchewan, the greater need of single seniors is recognized and they will only pay a \$50 deductible.

(1245)

Another area of health care in serious need of revision was the Saskatchewan dental plan. Studies indicate that people retain the good health habits they acquire as children, and statistics show that since the dental plan was introduced in '77, the incidence of dental problems has markedly declined in children over 13 years of age. This adolescent group has therefore already received the most significant benefit of the plan, which is the establishment of lifelong dental health habits. Because we are in a time when difficult choices are necessary, if we are to remain able to meet our most pressing youth needs, your government chose to redirect resources to meet what has been described as the number one problem facing adolescents today — the threat of alcohol and drug abuse.

Consequently, the dental plan will no longer be available for children over 14 years of age. However, we must remember that all children from the ages of 5 to 13 will continue to receive full coverage. The government is committed to ensuring that everyone in the province has reasonable access to good dental services.

Without the competition from former school visit dental program, dentists will undoubtedly expand their services to meet the demand, especially in rural Saskatchewan, an area I represent.

However due to the lack of alternate dental services available to northern residents, and in keeping with our goal of protecting those with the greatest need, the dental plan will continue to serve children who live in the northern health region as it has in the past.

All such changes, and others in the planning stages, to the province's health care system will be closely monitored to ensure that the health needs of the people of Saskatchewan continue to be met in the most efficient,

effective manner possible.

As a government we remain resolute to Saskatchewan's interests, and the health of its citizens continues to be among our highest priorities and will remain so as we work toward the development of a health care system which is dynamic, compassionate, and in tune with the realities of the 1990s.

Recently, the Government of Saskatchewan also announced significant changes to the province's education system. Key among these changes were the amalgamation of the departments of Advanced Education and Education, and the combining of our four technical institutes and our regional community colleges under one umbrella, the Saskatchewan Institute of Applied Science and Technology.

These changes are part of a larger plan to bring our education system up to date to meet the needs of a rapidly changing society that is currently undergoing a technological revolution the likes of which we have never seen.

At the same time, our plan addresses the need to prepare people of all ages for the economic realities we face as we move from a vulnerable economic base, subject to the cyclical downturns of world prices of our resources and commodities, toward a more diversified, thus stabler, economy.

The process of updating our education system began with a thorough review involving consultation with all participants of the province's K to 12 system. In 1984 that review resulted in a visionary document called *Directions*, which lays out a 10-year plan to bring about necessary changes while maintaining the stability and previous growth and development of our system of elementary and secondary education. The establishment of the \$150 million education development fund provides for the financial resources to carry out this strategy. These changes to our education system were long overdue.

Although Saskatchewan has a good system of education, Mr. Speaker, there were many indications that the needs of students of all ages were not being met. Our children and young people were not being provided with the skills needed to adapt to a society which is engulfed in the most rapid social and technological changes the world has ever known.

Children and adolescents were not being prepared to take their place in the constantly evolving labour force. And in the case of adult education, Mr. Speaker, our technical institutes whose purpose is to train people for employment, were not keeping pace with the demands of the information age and a knowledgeable-based rather than a resource-based economy.

Our adult education system came into being 30 years ago during the post-war boom years, and many of its features and programs, were designed for the conditions of the time. The system of technical institutes and community

colleges has burgeoned over the past 30 years to a point where it was replete with duplications in human and financial resources, resulting in a great deal of waste — waste Saskatchewan can ill afford, as we face some of the toughest economic and social challenges in this decade.

The combining of the four technical institutes and the regional community colleges into one institution will not only eliminate obsolete aspects of the system, but it will allow for the areas of specialization and expertise so that we can build on our strengths at each campus, thus enabling Saskatchewan's work-force and training to stay abreast of the new developments.

A similar rationale, Mr. Speaker, applies to the amalgamation of the Departments of Education and Advanced Education into one department. This initiative allows for the sharing of resources between the two departments, as well as the continuous flow of information between them. With these improved conditions, communications, the people of Saskatchewan can be assured of a total education system — one that provides continuity from the early years through to maturity. While it is clear that these changes were necessary, and that immediate action was needed, our government has remained continually aware of its responsibility to protect our people, and their ability to take advantage of opportunity.

Mr. Speaker, it is the belief of our government that strong social institutions provide the basis upon which the people of Saskatchewan can take advantage of economic opportunities to create new wealth. With that belief in mind, every effort is being made to ensure that for those students presently enrolled in courses at the four technical institutes and the regional community colleges, disruption in their studies will be minimal.

We believe that these changes to our education system bode well for the future, allow us to change with changing times, provide for specialization in areas of growth and expertise, and speed up the decision-making process to keep pace with the demands that will be placed on the system, now and into the 21st century.

Mr. Speaker, I would also like to make a few observations regarding the position of those who disagree with this budget. I say that they are entitled to their disagreement, and they have an obligation across the way to watch-dog our government and to ensure we are being as effective as possible. But, Mr. Speaker, hurled insults and nonsensical rhetoric is neither their obligation nor their right.

Some Hon. Members: Hear, hear!

Mr. Toth: — The other day we had the privilege of inviting a number of guests to attend the Assembly for the presentation of the budget. And as my guests were speaking as we left the Assembly, Mr. Speaker, they acknowledged the insults coming from the opposite side of the House and were thoroughly appalled at the actions of members of this House.

If there is disagreement with our policies, there is an obligation to provide creative, realistic, and meaningful alternatives. I suggest that the members

opposite have not done that. In fact, Mr. Speaker, they admit that they have not kept up.

As an example, in a recent edition of the *Commonwealth*, the NDP admit that they have no agricultural policy. But the writer notes that if they develop one, it should be used to attack the government. Now there is a problem in that kind of thinking, Mr. Speaker, and I suggest it is the mark of an ineffective and perhaps irresponsible opposition.

Without an agricultural policy, they have the audacity to stand in this House and condemn every effort to assist farm families. And, Mr. Speaker, we're all aware of the efforts that have been put into assisting farm families of this province.

As a member representing a constituency with a strong rural base, with a great farming economy, I am very aware of the needs that individuals have as young farmers, as small farmers, as large farmers, and even as business men in my community and in my constituency. They know what it is like to feel the pinch. They know what it is like to be in need. And over the past five years this government has endeavoured to the best of its ability to reach out and to meet those needs and to help during difficult times.

Some Hon. Members: Hear, hear!

Mr. Toth: — But I also acknowledge, Mr. Speaker, that as a business person, as a farmer, that as an individual, we all have a responsibility — we all have a responsibility to do our part. And that's what I find from most of the people I talk to, that people recognize that individuals have to carry out their responsibility and accept their responsibility. And that's why I say today that this government is accepting its responsibility. It's accepting the responsibility of reaching out and meeting the needs of individuals and looking ahead to the future, not just acting in the past, and not just living in the past.

Many people want alternatives, and they want thoughtful approaches to these difficult questions. They also asked me many times: isn't there a possibility that all parties could co-operate in resolving serious challenges? I challenge the members opposite that we, as a government, and as representatives of this province, could work together to better the conditions of this province — to better the government of this province.

Some Hon. Members: Hear, hear!

Mr. Toth: — And indeed to create a belief and an understanding in the individuals that have elected us that we are indeed doing our best. And I don't think there is anyone out there doesn't expect anything more than the best that we are willing to offer. I believe, Mr. Speaker, that the Minister of Finance has taken that thoughtful approach and delivered a budget that all members of this House will join in supporting.

Today it is with great pleasure that I stand here in support of the budget, that I stand here and back the Minister of Finance in making the difficult decisions he had to make and we, as a government, had to make in downsizing and in making sure that we were being fiscally responsible. Because only good, common-sense people and people

with a business sense will realize that you have to be fiscally responsible. Otherwise you don't continue to operate as a business person, as a farmer, as an individual who is a responsible person.

It is with real pleasure this afternoon, Mr. Speaker . . .

Mr. Speaker: — Order, order. Order! Order! Order!

Mr. Toth: — Mr. Speaker, if the members opposite really knew what fiscal responsibility was, they would realize that what we are doing, and the objectives we are trying to meet, is the right thing. We are doing the right thing.

Some Hon. Members: Hear, hear!

Mr. Toth: — And so I say to you today, I am proud to represent the constituency of Moosomin, and to indeed work with this government and with my colleagues to reach and to look into the future and to build for the future so that we indeed can offer to the people of Saskatchewan, not only to my children — my children which are . . .

Mr. Speaker: — Order. Order please. Order, order, order! I'd like the member from . . . (inaudible) . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, right after I ask leave to adjourn debate, I'd like to adjourn the House. I move this House do now adjourn, Mr. Speaker.

An Hon. Member: — Point of order, Mr. Speaker. Point of order.

Mr. Brockelbank: — . . . (inaudible) . . . Mr. Speaker, we seem to be having that problem of acoustics in here again. I believe the member from Moose Jaw has been recognized and has the floor, if you will support me in that.

Hon. Mr. Berntson: — I was having a problem with acoustics as well. I was having a problem with acoustics as well. I don't know how the member can be recognized when he's not in his chair.

Mr. Speaker: — Order. Order, please. Order, please! . . . (inaudible interjection) . . . Your light isn't on . . . I'm going to give you the opportunity to speak but your light isn't on. I'm on my feet. Okay . . . Okay . . . I recognize the member for Regina North East.

Mr. Tchorzewski: — With all due respect, Mr. Speaker, you stood after the member from Moose Jaw North stood, and you recognized the member from Moose Jaw North. Then when you had recognized the member for Moose Jaw North, you turned to the House Leader from the government and you cut off the member from Moose Jaw North. I say he has the right to raise the point he wants to make, at this point, before that member could say what he could say.

Some Hon. Members: Hear, hear!

Mr. Speaker: — The point of order is well taken. I believe

. . . the little problem we actually face is the clock; that's about all that's causing this. It's not a big issue. It's true, I did recognize the member for Regina North . . . So, if he would like to say two words, I suppose I'll allow it. Go ahead.

Mr. Hagel: — Mr. Speaker, noting the time, I would beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 1:03 p.m.