

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Solomon: — Thank you, Mr. Speaker. It's my pleasure this afternoon to introduce two groups that are here from my constituency. I'd like to introduce to you, and through you to all members of this Assembly, four students from the Regina Catholic School Program for Gifted Learners in the Speaker's gallery, and they are students from St. Patrick's, St. Josaphat and St. Joan of Arc. Actually St. Josaphat is in the constituency of Rosemont and St. Patrick's is not in my constituency either, but St. Joan of Arc is. With them is their teacher Carol Lundine and chaperon Diana Lundine.

I met with these students and some of their colleagues a month or so ago and spent a good hour with them answering a host of very intelligent questions, and I would ask all members to join with me in welcoming them to this Assembly this afternoon.

As well, I would like to introduce to you, Mr. Speaker, and to members of this Assembly 11 grade 7 and 8 students from St. Bernadette School in Regina North West. They are in the east gallery, the opposition gallery. The teacher is Don Zaharia and they have two chaperons accompanying them, Anne Hoffman and Brent Zapshala.

I hope that all of you enjoy the procedures in the question period and the answers that are provided and certainly the questions, and I will look forward to meeting with students from St. Bernadette after the question period. Please join with me in welcoming them this afternoon.

Hon. Members: — Hear, hear!

Mr. Muirhead: — Thank you, Mr. Speaker, it is with pleasure that I like to introduce to you and the members of this Assembly, 30 grade 8 students from Allan — Allan High School. They are sitting in the west gallery, and I'm going to be meeting them, Mr. Speaker, at 2:30 for drinks and questions.

They are accompanied by their teacher, Ernie Melnyk, chaperons Paul Houle, Marie Grumetz, Sandy Klotz, and Corrine Welder. Mr. Speaker, I wish to thank them for coming to the legislature today, and I'm hoping that they'll enjoy themselves. And I ask all members to join with me in welcoming them and wishing them a good day, a safe journey home, and a good summer holiday. Thank you, Mr. Speaker.

Hon. Members: — Hear, hear!

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. On behalf of the Deputy Premier, the member for Souris-Cannington, it's my pleasure to introduce to you, and through you to all the members of the Legislative Assembly, a group of 27 students from Redvers, Saskatchewan, from the Redvers School. They are grade 6

students who are accompanied by three chaperones as well as their teacher, Diane Dube.

They are seated in the Speaker's gallery, and the Deputy Premier has asked me to pass on my warm words of welcome to you students. The member for Souris-Cannington is out of the province today, but I would ask all members of the Legislative Assembly to join with me in welcoming the students here today to the Legislative Assembly.

I understand that one of our members will meet with you a little bit later for pictures and drinks. Thank you.

Hon. Members: — Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I am acting for my colleague, the member for Regina North East, Mr. Tchorzewski, who is not able to be with us at this moment. We're expecting him back from Swift Current shortly. And it's my pleasant duty to introduce to you and to the members of the Assembly some 48 students from the Dr. George Ferguson School in Regina North East, and they're seated in the Speaker's gallery.

They have with them their teachers, Ms. Wolfe and Ms. Burns. And they've had a tour of the buildings, will be with us for this question period, and then will, I trust, be meeting with Mr. Tchorzewski at 2:30 for some pictures and for some refreshments.

I know they will have enjoyed their tour of the building. I trust they will enjoy the proceedings of the question period, and I know all hon. members will join with me in welcoming them and expressing the hope that they enjoy the remainder of their stay here with us.

Hon. Members: — Hear, hear!

Mr. Romanow: — Thank you, Mr. Speaker. I too have some students with us today in the Legislative Assembly. I believe they're from the Saskatoon French School, seated in the east gallery. There are 29 students, grades 6 to 8. They're accompanied by teachers Richard Blanchet and John Cathcart.

This is going to be very tough for a Ukrainian boy like me to do, Mr. Speaker, but with your permission and the indulgence of the House, I would say to the students: Bienvenue à Régina. Thank you very much.

Hon. Members: — Hear, hear!

ORAL QUESTIONS

Treatment of Manitoba Cancer Patients

Mr. Romanow: — Mr. Speaker, I have a question for the Premier. The question that I have for the Premier follows basically on the questions and answers from yesterday's question period, where at page 582 of *Hansard* the Premier said the following:

. . . as the hon. member knows, with our budget we're going to have to spend a good part of it

treating people from Manitoba because they are going to be coming here.

Now a very simple but important questions, speaking to the credibility of the Premier's answer: what authority did the Premier have to make that statement and that claim?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I am advised that two months ago, Dr. Malaker, the director of radiation for the Manitoba Cancer Foundation, contacted the medical director of the Regina cancer clinic, Dr. Whiston. He indicated a concern about waiting times in Manitoba for some patients needing radiation treatment and asked whether Regina would be able to help them out in the case of necessity. Dr. Whiston advised him that the Regina clinic would take individual cases if the matter was urgent.

That was reported yesterday, Mr. Speaker, and I advised the House that if we are going to provide top-notch and first-class health benefits to the people of Saskatchewan, then other jurisdictions may be taking advantage of it. And as a result, we have seen people in Manitoba, the doctor there, requesting that the city of Regina, and hospitals in Regina, if they would take cancer patients as the need arises in Manitoba. The doctor in Manitoba was concerned about the line-ups in Manitoba and the lack of equipment and funding. And I'm advised that the doctors here said that we would be glad to help out in the case that Manitoba people ran into that kind of difficulty.

Mr. Romanow: — Mr. Speaker, a supplementary. The question that I ask goes to the Premier's credibility because in his statement yesterday — I'm not going to repeat it other than to say he clearly said the following: with our budget we're going to have to spend a good part of it (referring to the budget) treating people from Manitoba. And later on, at page 582 of *Hansard* he said that Manitoba is:

... asking the hospitals in Regina and (for) Saskatchewan taxpayers to pay for health care in Manitoba ...

Those are the words. Now my question to the Premier is again a simple and straightforward one. What authority does the Premier base his statements that the people and the taxpayers of Regina and Saskatchewan are going to be paying for the treatments that the Premier alludes to?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the people in Manitoba request help from the people of Regina and the people of Saskatchewan because we have the facilities here. We have built the facilities, we have funded the facilities, we have bought the equipment, and we have provided the medical staff and the back-up staff to treat people. Now in the province of Manitoba, if they've had difficulties, they've told us that they would like to come to Regina and into the province of Saskatchewan because we have these facilities, obviously financed by people here.

Now as they run into trouble in Manitoba because it's not well financed, we've said we would help them, and our doctors ... and I'm advised this morning that our doctors will accept patients from Manitoba because we have the facilities financed here and the equipment.

So, Mr. Speaker, I would just put it another way. They couldn't come here to use the facilities if we hadn't built them and financed them and developed them and had the new technology. And they recognize that it is goo, Mr. Speaker, and we're happy to help them out in their time of need.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Supplementary question. Is it correct to say that the Premier is basing the statements on a *Winnipeg Free Press* story of yesterday referring to the Dr. Malaker, that you have already alluded to, dated June 22 is the date of the story; and if it is so, why is it that the Premier did not tell the House yesterday in portraying — no, I would say in misrepresenting to this House — that the taxpayers of Saskatchewan are going to be paying for it. Why is it that the Premier did not tell the House that Dr. Malaker himself has said that none yet has come to the province of Saskatchewan? Why did you misrepresent that position to the House?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, what I said and what I've confirmed and had confirmed today, that Dr. Malaker, the director of the radiation Manitoba cancer clinic, has requested help from hospitals in Regina. He just didn't send patients over here. He said, we have long line-ups in Manitoba; it's running five or six weeks. I'm concerned about the health of the patients in Manitoba. You have good equipment and good hospitals in Regina. Could we send our patients to Saskatchewan?

Now Saskatchewan doctors have replied, if you're in trouble in Manitoba because it is underfunded, we would be glad to help you out here in Saskatchewan, because we do have the equipment, and we do have the staff, and we do have the hospitals.

Now I think it's only polite, Mr. Speaker, that the doctors in Manitoba have requested and asked whether Saskatchewan people would accept this, and we've said we'd be glad to help out because we've got some of the best facilities in Canada, and I'm confirming that this morning — or this afternoon.

Mr. Romanow: — I asked a supplementary question which I really do think warrants a very straightforward and simple answer, sir.

Some Hon. Members: Hear, hear!

Mr. Romanow: — I don't think that there is any need to give us a political speech at question period.

I refer you again to the article that you said was the authority for the statement that Saskatchewan taxpayers are going to be paying for the Manitoba people who come to this province, and I've referred you to Dr. Malaker's

statement that none have already come. Is that your position today, that Saskatchewan people will be looking after the payment of Manitoba people who might be referred, even pursuant to this article? Is that your position?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, it is very clear that if we have spent our money on health care and we've increased the expenditures in health care and we have fine equipment and good hospitals and good doctors and good staff . . . And it's well recognized in our neighbouring provinces. And it's well recognized, Mr. Speaker, that the fact that they are calling us, can we use your facilities, your fine facilities, which obviously we've had to finance . . .

Let me put it another way, Mr. Speaker. If we didn't finance them, they wouldn't be there, and people wouldn't be calling us to use them — quite clearly. People in Manitoba want to use the facilities because the technology's here, and the doctors are here, and it's first class. And, Mr. Speaker, we're only glad to help our neighbours in time of need.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I want to point out to the Premier that nobody has been referred from Manitoba. The article says 55 patients, at most, are on the list. But the scandalous statement of the Premier yesterday was that the taxpayers of this province are going to be looking after any such patients who do get transferred over to Saskatchewan from Manitoba.

I say to the Premier, and I ask him this: are you not aware — surely of all of the front-benchers in that government, you must be aware — are you not aware that under your own very legislation, the Saskatchewan hospital services plan, and the federal-provincial agreements, none of the costs for any of those patients — the maximum of which might be 55 — is the responsibility of the taxpayers of this province? They're the responsibility of the taxpayers of Manitoba, and you deceived this House in saying otherwise.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I will . . . Obviously the opposition is fairly touchy about this. I will just make the point . . .

Mr. Speaker: — Order, order. Order, please. Order, order, order. Order, please. Order, order. Let's all do that.

Hon. Mr. Devine: — Mr. Speaker, I'll make the point again. I'll make the point again that if our health care facilities are so well recognized, because they have been financed, and they are put together with the finest staff and the finest support staff and the finest equipment you'll find in Canada, that costs the taxpayers. And the people of Saskatchewan have paid for that. The taxpayer has.

Second point. You say that Manitoba's going to pay for all the costs if they have people in here. They never pay for

all the costs, and you know that. As a former minister you know very well that it won't pay for all overhead and it won't pay for all the fixed costs. It'll pay for the operating costs, the variable costs, and you know that.

Saskatchewan people will have to pay because we believe in a top-notch health care system. We have, Mr. Speaker . . . and it's the best and others will recognize it. We're quite willing to help out the people in Manitoba when in fact their government doesn't fund health care well enough.

Mr. Romanow: — Mr. Speaker, a supplementary for the hon., the Premier. Here we have a situation where the Premier misrepresented the costs to the legislature yesterday, deceived the people of the province of Saskatchewan, and repeats the deception.

I want to refer the hon. Premier — I've asked the page to deliver it to you, sir — a copy of your own department's report of 1985-86, Department of Health, and I direct your attention to table 5 of this report. Table 5 on this report shows, by your own figures, that in this year the number of Saskatchewan people who left the province to get hospitalization care totalled 6,184, as compared to the total number of patients coming into Saskatchewan being only 3,314.

I want to say to the Premier . . . I want to ask the Premier this: are you aware of your own table, and if you're aware of your own table, in light of what you've just said, how is it that you can justify and explain the fact that almost twice the number of Saskatchewan people leave our province because of no beds to get care elsewhere? How do you explain that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I will take the hon. member's information because I want . . .

Mr. Speaker: — Order. Order, please. Order, please. Order! He is making an answer. We don't need to have the minister being hollered down.

Hon. Mr. Devine: — Mr. Speaker, I don't necessarily accept the information the hon. member will give me, but if he will send it over, I will look at it and review it.

Let me make the point, Mr. Speaker, that when you're dealing with some severe health care issues, like cancer, Mr. Speaker — some of the very, very important health care issues of the day, like cancer — people are looking at Saskatchewan because we have the best cancer facilities any place in Canada, or certainly among the very best. Neighbouring provinces say, under these cases where people are severely sick, severely sick with cancer, they want to come to Saskatchewan because to top-notch health care facilities.

Secondly, with respect to the number of people going out of the province and the number of people coming in, if those wanting to come in are being treated for cancer and some of the diseases, Mr. Speaker, that are a very major concern to the people in this country, I believe that's a signal that the majority of Canadians know that we fund

health care very well. If people are going out for elective surgeries, Mr. Speaker . . .

Mr. Speaker: — It has been adequately answered. Is this a supplementary or a new question?

Mr. Romanow: — Mr. Speaker, the Premier said just a few moments ago that he doesn't necessarily accept these figures that I've given to him. He hasn't even given me the courtesy of looking at table 5. I gave him a copy of the annual report.

Now, Mr. Speaker, this is the annual report of the Department of Health put out by your very own Minister of health. Are you telling this House that these figures which I give you — you can take a look at them yourself — are inaccurate? Are you trying to tell us that these figures are not to be believed? And if that's the case, then you ought to be asking your Minister of Health to resign for putting our false documentation. You ought to be saying to your minister he should step down.

Hon. Mr. Devine: — Mr. Speaker, people in Manitoba are coming — are requesting Saskatchewan hospitals to help them with cancer because they're not being funded in Manitoba. If people in Saskatchewan are going some other places for elective surgery, from some transplant, for abortions, for something else, Mr. Speaker, that's quite different, quite different than cancer patients who we all know is one of the worst killers, having to come, having to request to come, having to ask Saskatchewan people because they've funded their hospitals and their doctors — can we come to Saskatchewan for help?

Significant difference. The members opposite know that, Mr. Speaker. We will make sure that hospitals here and cancer facilities here are among the best in Canada, and we will continue to do that.

Mr. Romanow: — Mr. Speaker, I have a supplementary question to the Premier and . . .

Mr. Speaker: — A final supplementary.

Mr. Romanow: — . . . if I may say so, ask the Premier to come clean on this. Just once, please come clean.

Yesterday and today you have made statements which are patently false. First, as to who pays for the care of out of province. Secondly, as to the numbers of patients that are coming to Saskatchewan as compared to Manitoba — 55 from Manitoba; over 6,000 from Saskatchewan. They're flooding out of this province because the hospital waiting bed lists are so long.

I ask you, Mr. Premier, this: in the light of what is obviously a blatant falsehood, in light of the fact that if anybody's credibility is important, it's yours, sir, I ask you to retract the statements of yesterday and today and to be honest with the people of Saskatchewan when life and death in hospitals exhibit that issue. How about doing that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker . . . Clearly, Mr.

Speaker, the truth bothers the opposition when it comes to health care and cancer research and patients . . .

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

Hon. Mr. Devine: — The truth is that people across Canada are looking to Saskatchewan, asking Regina hospitals and physicians if they can come to this province because the facilities are so good. The truth is, Mr. Speaker, that doctors in Regina . . . They don't want to listen, Mr. Speaker, but I'm going to make them listen. The truth is the doctors in Regina are advising people in Manitoba, they can come to Regina . . .

Mr. Speaker: — Order. Order, please.

Hon. Mr. Devine: — Mr. Speaker, we are proud that our cancer facilities are among the very best in Canada. The opposition has to recognize they're the very best. The doctors in Regina, in this city, are saying, if you're in Manitoba and you have some difficulty getting cancer treatment, you can come into Saskatchewan because the Saskatchewan government has funded health care better than any other jurisdiction in Canada.

Some Hon. Members: Hear, hear!

Firing of Medical Specialists

Hon. Mr. Blakeney: — Mr. Speaker, I direct a question to the Premier, along the same lines as those of my colleague. Mr. Premier, are you aware of the fact that the actions of your government have caused doctors at the Plains hospital to be fired? Are you aware of the fact that one of those was an endocrinologist, the only one in southern Saskatchewan, Doctor Bector, and are you aware of the fact that unlike the Winnipeg patient who might come to Regina, a constituent of mine and a neighbour of mine was forced to go to Winnipeg, just last month, in order to get treatment in Winnipeg which she has consistently got in Regina from this endocrinologist. She has a serious pancreas problem and you, when you say that we are funding our hospital care better and our medical care better than any other province in Canada, are acting falsely so far as Regina people are concerned and so far as specialists in southern Saskatchewan are concerned, many of whom have been fired because of the actions of your government. Are you aware that patients are going from Regina to Winnipeg to get specialist treatment in this way?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the member opposite is not accurate, is not accurate. People here . . .

Mr. Speaker: — Order, order. Order, please! I don't think we can have a question put and then the person trying to answer the question, have them hollered down. Give the man an opportunity to try to answer the question.

Hon. Mr. Devine: — Mr. Speaker, people in Regina hospitals, the doctors, the staff, have been asked if they can come to Regina for treatment because they have line-ups of cancer patients in Manitoba — in Winnipeg. They've been asked that. Now I don't know how often

they've been asked, how many years they've been asked, but I'll tell you now, they're being asked. Okay?

And you raise a case, and your colleague does, where patients from time to time will go to outside the city of Regina or outside Saskatchewan for treatment. Well, Mr. Speaker, I understand if there are line-ups in Manitoba for cancer treatment and people can't get beds or they can't get equipment, why doctors here would respond.

Hon. Mr. Blakeney: — Mr. Speaker, I ask you again: are you aware, Mr. Premier, that many citizens of Regina are now seeking medical care outside Regina, some of them in Winnipeg, because of specialists who are no longer here, fired because of the actions of your government in denuding the Plains Hospital of a string of specialists who were the only ones in southern Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, that's not the facts. And he knows that we did not denude the Plains hospital. He knows that the University of Regina's decision . . . University of Saskatchewan decisions, and he knows that, so why is he misleading the House, and the people, by saying it was us? University of Saskatchewan . . .

Mr. Speaker: — Order. Order, please.

Hon. Mr. Devine: — The hon. member knows. The hon. member knows that isn't very often, not very often in this country when other provinces ask for help from a province like Saskatchewan or a province like Manitoba or a province like Alberta to open their doors to the hospitals because they're underfunded. That's what we're dealing with today, and that's why you're so upset.

The Manitoba government hasn't funded the cancer research, so they're requesting Saskatchewan people to help them. And we said we would help. This is not a unique situation, Mr. Speaker, but we're glad to help.

Mr. Speaker: — Order, please.

Hon. Mr. Blakeney: — Mr. Speaker, one more time of the Premier. One more time of the Premier. Are you maintaining the position that the firing of specialists at the Plains hospital was not connected with the funding level that you are offering to the University of Saskatchewan, was not connected with decisions of your government, but was solely extraneous to any financial decisions of your government?

You know that isn't true. Now why do you not admit that the doctors are not there, and they are gone, and the patients are therefore going to Winnipeg because of financial decisions of your government?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — That isn't what you said. That isn't what you said. Mr. Speaker, the hon. member knows what he said, and we'll go back and look at what he said. Want to talk about somebody's credibility. You didn't say

that at all.

I said it's the University of Saskatchewan decision, and you said it's because we have made the decision to fire some doctors, and that isn't the case. And you know that. The University of Saskatchewan makes the decisions. And the hon. member is aware of that.

What he can't seem to understand is that the Government of Manitoba and the people of Manitoba obviously have made a formal request — a formal request, Mr. Speaker — a formal request to the people of Saskatchewan to pay for . . .

Mr. Speaker: — Order. Order.

Hon. Mr. Devine: — That's what you have to understand. The doctors in Manitoba have asked doctors here to look after Manitoba people. That's what . . .

Mr. Speaker: — Order. Order.

Hon. Mr. Blakeney: — Supplementary. Just so we understand the Premier's line of argument. If you say that you cut all of the money to the University of Regina, than the fact that the professors are fired is the decision of the university and has nothing to do with the government. That's what you're saying.

Now you're saying that because you cut the money for the University of Saskatchewan and doctors were fired, it has nothing to do with you. You try to tell that to the school boards who are cutting teachers and the hospitals who are cutting nurses. They know where the decision rests.

Are you not prepared to admit that when you cut budgets as you have done, and the health budget is cut this year, the inevitable result is the firing of doctors? We've had it in Regina, and patients . . . My neighbour has gone to Winnipeg because she could not get care in Regina. Do you not admit that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, funding for the universities in Saskatchewan, funding is up 38 per cent since we got into power — 38 per cent.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Now you're telling me that with the fundings up 38 per cent you're going to blame me because the university makes a decision of what department's going to be there, what staff's going to be here. And I have to take responsibility for that when we've raised funding 38 per cent.

Mr. Speaker, let me add, let me add to the hon. member. The truth is, the truth is funding up in health . . .

Mr. Speaker: — Order. Order, please. Order, please. Order, please. Order, please! We can't have constant interruptions, whether you like the answer to the question or not. But we can't have constant interruptions, and I'm asking the House once more to just allow the question to

be completed briefly, quickly ask the question to be completed — or the answer.

Hon. Mr. Devine: — Just to respond to the argument the hon. member made. When funding is increased to universities by 38 per cent over the last four years — increased — and the universities make decisions on what they're going to specialize in and where they're going to allocate their funds, that is not my responsibility. I shouldn't be telling the universities where to spend their money, particularly when I'm giving them more money.

Now, Mr. Speaker, they have made the decision that they are going to build colleges of agriculture, and they're going to build a geological sciences building, and they're going to staff several things.

When, Mr. Speaker, we increase health care funding here to the tune of 60-some-per cent since 1981-82, that's why provinces and doctors phone us for service, because no other jurisdiction, particularly Manitoba, can match it.

STATEMENT BY MR. SPEAKER

Ruling on a Point of Order

Mr. Speaker: — Before orders of the day, I would like to make a ruling on a point of order that was brought up yesterday in this House. It was raised by the member for Saskatoon Riversdale, and it regarded question period where the Premier gave a partial answer, then passed the question to the minister responsible for the detailed answer.

To the extent that this practice results in two answers to one question, I find that it is not in order, and the point is well taken.

The minister may choose . . . order, order. I don't need any cheers from either side for the ruling. Especially when the Speaker is on his feet, I would like silence please.

A minister may choose to defer to another minister, but should do so immediately without giving an initial reply. I trust this will clarify this matter for all members.

Some Hon. Members: Hear, hear!

Mr. Speaker: — We don't need any handclaps for rulings.

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, and the amendment thereto moved by Mr. Tchorzewski.

Mr. Gleim: — Thank you, Mr. Speaker. It gives me great pleasure to day to support this government's newly

announced budget, a budget, Mr. Speaker, that clearly reflects responsibility, vision for our province and our citizens.

This country and indeed the world around us is advancing at record speed, and it is important that we as a government ensure our province is not left behind.

This government has shown its commitment to delivering services to the people of Saskatchewan in an efficient and effective manner. And this, Mr. Speaker, is the responsible direction we will continue to take. Examination of every single aspect of government will allow us to find the best and the most reasonable areas in which to obtain savings.

Mr. Speaker, it is obvious that we, as a government, could have taken the irresponsible and narrow-minded approach that our neighbouring NDP government of Manitoba chose.

But, Mr. Speaker, our vision is to protect our families and our future generations from an economic crisis that could result in a \$10 billion deficit as seen by residents of Manitoba. And that speaks as an example of mismanagement, Mr. Speaker, and it is clearly out of control.

Mr. Speaker, fiscal responsibility and financial accountability are a priority of this government. Without this, Mr. Speaker, that vision we have for our children would only be a fantasy. We are taking a realistic approach to the services we as government provide for our citizens, Mr. Speaker.

Our health care system is among the best in North America. It is of great value to the people of Saskatchewan. The people have told us it should remain a priority, and we have treated it as such and will continue to.

Mr. Speaker, health care spending is at its highest level in Saskatchewan history — \$1 billion plus — one third, Mr. Speaker, one third of our provincial budget, one third of our revenue. That shows that we do care.

Since 1982, Mr. Speaker, we have increased our real health care spending by 15.7 per cent — that is 15.7 per cent of our real spending in this province. Mr. Speaker, Saskatchewan has increased the health spending more than any other of the four provinces in western Canada. I am proud to say that since 1982, Mr. Speaker, real growth in the West has averaged 9.4 per cent compared to Saskatchewan's 15.7 per cent.

Mr. Speaker, in the area of special home care this government has reached new heights to assist our Saskatchewan residents in need. Over the past five years we have taken the opposition of 1981 \$13.6 million expenditure on home care and increased it to more than \$23 million, Mr. Speaker.

I am pleased to say, in health care alone in my constituency, the town of Mankota will share in this example of increased health spending. This government, Mr. Speaker, is here to build and is building, not to close.

In the town of Mankota we have finished a 12-bed nursing home onto an existing 12-bed hospital integrated system. And that, Mr. Speaker, shows that we do care about rural Saskatchewan.

And this will ensure that we have an extra example . . . Maybe I should say is that we're trying to keep doctors in rural Saskatchewan. It has been tough because they've all been going into the bigger main centres of Saskatoon, Regina, Swift Current, Moose Jaw, and we are trying to attract them back into our areas. And I think it's only right that we should be able to utilize these beds out in rural Saskatchewan.

And I'm looking forward to the grand opening on this August 14, and I invite each and every one of you — including the opposite members across — to join us in Mankota for the important event in my constituency, just to show them that we do care, and we are providing services in rural Saskatchewan.

Education, Mr. Speaker, is another course of priority for the people of Saskatchewan and this government. The amalgamation of the departments of Advanced Education and Education and the combining of our four technical institutes and the regional colleges under one umbrella, Mr. Speaker, the Saskatchewan Institute of Applied Science and Technology, is a key change to the province's education system. Mr. Speaker, our government is anxious 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 establishment of \$150 million education development fund provides for financial resources to carry out this strategy.

These changes to our education system were long overdue, Mr. Speaker. Our children and our young people were not being provided with the skills needed to adapt to a society which engulfed in the most rapid social technological changes in the world has ever known. Education funding since 1982, Mr. Speaker, has outpaced inflation by an average of 1 per cent per year. This record shows commitment to education that surpasses that of the previous administration in the last five years of office, during which spending on education, Mr. Speaker, barely kept pace with inflation.

Again, Mr. Speaker, I would like to cite an example of this government's funding as it relates to the education in my constituency of Shaunavon: the completion of a brand new public school; approved spending for a new high school; and approved spending for renovations and to make sure that we are looking after our younger and our upcoming children in keeping up with the pace in this province. And that proves, Mr. Speaker, that we do care about education.

Another spending priority this government has to ensure the survival and protection of our way of life for Saskatchewan deals with the agricultural sector, Mr. Speaker. We have put millions into protection for farmers because agriculture is the backbone of Saskatchewan's economy. Premier Devine was instrumental in the billion dollar deficiency payment announced by the federal

government last fall, Mr. Speaker, a deficiency payment that farmers in my riding and indeed across western Canada were in most need of. And that, Mr. Speaker, proves this government is committed to press for additional federal deficiency payments of 1.6 billion up to \$3 billion this year. The people of this province in the agricultural sector appreciate that along with everybody else.

I'd just like to mention a few other in the agricultural. Some of the programs that we've brought into place, the \$25 per acre, 6 per cent dollars to cash advance on livestock. That shows that this government is concerned along with a lot of other programs that we put into effect. We have built a feeding industry in this province that we've never had in history. We used to raise our cattle; we used to ship them out; they either went east or west. We went from 12 per cent three years ago, in the feeding industry, to 55 per cent. And Mr. Speaker, I would say that is history that we've never had before.

And, Mr. Speaker, I will continue to press to build our agriculture industry along with the Premier and support him in all the angles and avenues in the way to build our feeding industry so that we keep our cattle here in the province of Saskatchewan, not ship them out. And that proves that we do have a good agricultural policy, Mr. Speaker, not a policy like the opposite members announced on the weekend, saying that they don't have one yet. And that, Mr. Speaker, improves the competition position of Saskatchewan farmers. We are taking steps to reconstruct agricultural budget by moving away from interest protection programs and moving towards increased development initiatives, irrigation enhancements, and more effective gathering and distribution of market information.

Mr. Speaker, the protection of Saskatchewan people have been consistent priority of the Devine government. If we are here to protect people in the future, we must have financial resources in place. The time for action is now. We will conduct our affairs with fairness and firmness, Mr. Speaker; Saskatchewan people expect no less. Saskatchewan people like to be positive; they don't want to be negative. And I guess that last October 20 proved that they wanted this government to run this province, and we will continue to run this province. We all know that Saskatchewan pioneers had the courage and vision to build this great province, Mr. Speaker, and these same pioneers built this on a positive note, not on a negative note.

I support this budget, Mr. Speaker, put forth by my colleague, the Minister of Finance. It exercises the responsibility and the optimism essential to building a better Saskatchewan. I support this fully. Thank you very much.

Some Hon. Members: Hear, hear!

(1445)

Hon. Mr. Blakeney: — Mr. Speaker, I'd like to make a few preliminary remarks and I direct these basically to some members on the government side, and I don't say these harshly. I just want to say that with respect to all of the

figures you hear quoted from time to time on the increase on health spending, you should not be taken in by those figures. There have been increase in health spending, but what is being done is a comparison of the budget of the Department of Health four or five years ago with that budget of the Department of Health today. And that is declared to be an increase in health spending. And I think we all know better than that.

What has been done is some significant parts of the government, on government activity, which used to be administered by other departments, are now administered by the Department of health. I'll give you three quick examples. There is the . . . in the current year's Department of Health estimate, there is some \$6 million for ambulances. There has been no significant increase in ambulance services, the money has simply been moved from another department.

There have been \$22 million, \$23 million for home care. There's been no significant increase in home care services. The money has been moved from the Department of Social Services to Health. There's \$175 million, \$190 million indeed, for the operation of special care homes. That used to be in the Department of Social Services, now is in the Department of Health. There's more than \$200 million, another \$10 million in rent, which I will leave that aside, but close to 20 per cent of the Health budget today is financing services which were previously provided by other departments of government.

Now I don't quarrel with the fact that they may be operated by the Department of Health rather than the Department of Social Services; can take either view of home care. What you can't claim, can't claim and be intellectually honest, is that there's an increase in health spending, because it simply will not do. You can claim that it's better administered by the Department of Health than the Department of Social Services, and that's a legitimate argument. I don't agree with it, but it's clearly a question of judgment.

What you can't reasonably claim, as I've heard members opposite claim time after time after time, including the Premier, is that there's been this vast expansion in health spending. There has not been. And there have been increases, let there be no mistake about that, but they have not reached the sums that had been achieved by counting money transferred, let us say for home care, from the Department of Social Services to the Department of Health, as an increase in health spending.

I want to make a brief comment on some remarks made by the member for Assiniboia-Gravelbourg. He suggested that the NDP were the only ones who felt that they had, to use his words, "earned the right to be self-righteous." And then he continued to go ahead and show that, earned or not, he could indeed be self-righteous. He suggested that the Liberals were the only ones who could combine compassion with fiscal responsibility.

Unfortunately for the member for Assiniboia-Gravelbourg, the Liberal leader, there are some people who remember the last Liberal government in this province and their tender concern for medicare in

that black budget of theirs of 1968, their increased medicare premiums, and their closing of small hospitals, and their imposing of deterrent fees. I heard Senator Davey Stuart the other day on the radio, and he was saying that the Liberals never recovered from that attack on medicare. And somehow as I heard Davey Stuart saying that, it didn't sound like that their problem was an overdose of compassion.

The member for Assiniboia-Gravelbourg accused the NDP of gathering in all the oil royalties under Bill 42 and wasting the money. Some will recall that Bill 42 was the Bill which provided for royalty surcharges on the oil companies. And I felt, that's a little much coming from a party who said that those royalties should be left with the oil companies and who campaigned in the 1975 election with their major plank as being the repeal of Bill 42 and leaving all of that money with the oil companies. Even the Collver Tories of the day were not that profligate with public funds. So much for the Liberal claim for fiscal responsibility.

Now, Mr. Speaker, I want to turn to the budget. My colleague, the member for Regina North East, the opposition financial critic, did an outstanding job in commenting on the budget. He called it a budget of betrayal — and that's the best way in which it can be described. It's a betrayal of the promises made to the people of Saskatchewan in 1982 and 1986. And I know that I will mention a few, and other members on this side will mention instances where this government has promised, made clear promises to the people and have not delivered, indeed reneged. But the most obvious way in which this government has betrayed the people of Saskatchewan concerns the way they have managed our finances.

The core of this budget is restraint, that the provincial government finances are in bad shape, and that sharp, indeed, savage cuts are necessary to public services, to social services, in order that we can put our financial house in order. In order that, to quote them, we can "defend medicare". Just how we're defending medicare by slashing it I will let them explain. But their argument is that the financial affairs of this province are in a mess, and strong action has to be taken. And they say that this is all because of the budget deficit. And certainly to the extent that we have problems, it is, because we have a budget deficit.

And I want to talk a little bit about that deficit. First, this government has pursued a policy of calculated deceit about deficits since it was first elected in 1982 — calculated deceit or a level of incompetence that I don't think even the government opposite could attain.

When they were elected in 1982, there had been — for all practical purposes, aside from tiny budget deficits almost of an accounting nature — there had been surpluses for 40 years. And certainly the New Democratic Party government, since 1971, had had 11 straight surpluses, including the year ending March 31, 1982 — short days before the government opposite took office.

The new PC government came to office and decided that they would cut taxes. They would spend money, cut

taxes. It's so much fun to cut taxes. You can put a flower in your buttonhole and you can get before a microphone and say to everybody, go out, fill your gas tank, it's going to cost you 30 cents a gallon less. And they claimed it was just temporary.

In the summer of 1982, the minister of Finance, as he then was, the member for Kindersley, said that he was going to balance the budget over a four year term. And that was not true. In November, 1982, when that same minister of Finance brought in a budget, he said that he had a deficit which was minimized and manageable. That was not true. In March of 1982, he spoke about manageable increase in the combined deficit. That was not true.

In March 1984 he raised the level of rhetoric and, if possible, lowered the level of truth. Let me quote. This is the Minister of Finance for the government opposite:

We believe that all governments must work in concert to reduce budget deficits. It is inevitable (this is 1984 now) . . . It is inevitable that mounting deficits will result in unwanted reductions in government services and tax increases.

How prophetic! Then he went on to say:

I am pleased to announce a 20 per cent reduction in the deficit. The deficit has been turned around with out any social disruption. It has been turned around without cuts in basic services, and without major personal tax increases.

That's in his budget speech of 1984. That was not true. The deficit was not cut by 20 per cent or any per cent. It was sharply increased.

In 1985 he forecast a deficit cut of \$100 million. That was not true. There was a pattern of saying, right from '82 to '85, that they would cut the deficit, and each year it got bigger.

My member, the member for Moose Jaw North, has, I think, kindly attributed this to simple incompetence, that they came in and they said: whoops! We blew it! Well, I think that's a charitable view. I think that's a charitable view. I think they knew what they were doing. I think they knew they were saying, we will cut the deficit, and they knew they weren't going to cut the deficit.

And then we come to 1986, the election year, and the current Minister of Finance forecast a deficit of \$389 million. In his words, and these are published in his speech: "... a decrease of over \$200 million from the revised estimates of 1985!"

And in the printed speech he put an exclamation mark after that. And well he might have, because a more inaccurate and hypocritically inaccurate statement has rarely been published in any Saskatchewan budget. That statement in the budget was false. It was blatantly false. It was wrong by over \$800 million. We who said that the statement was false, even we were surprised by the \$800 million figure.

And, Mr. Speaker, that could not be a mistake. That was

deception. And the government opposite continued its deception. Last October the Premier said publicly, and I heard him, and I suspect many of you heard him, that the deficit would come in at around 500 million. That was not true.

Five months later the same government announced that the figure was not 500 million, but closer to 1,300 million. Now that type of conduct is a callous deception on the public. Around 500 million they're saying in October. Thirteen hundred million they're saying in March.

I want to remind the House that there's not one major fact affecting the financial affairs of this province, which is true now, which was not true last October, or fully anticipated last October.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — There is nothing different so far as finances are concerned. Grain prices are down, but everybody knew they were down, and they're no farther down than people thought they would be. Oil prices, if anything are higher than anticipated. In 1986, at their lowest, they were around \$14 a barrel, and now they're up to around \$25 a barrel. Potash prices are increasing. Prices for other products, oil, seeds, cattle, hogs, uranium, are certainly no worse than anticipated. Population exodus is continuing, but that was true last October. The budget deficit cannot be any higher than insiders knew it would be last October.

No. All the facts are that the government opposite knew what the truth was, the only difference is that the election is over. And the government opposite no longer needs the line of deception which says that the deficit is no problem. That's what they were saying before last October. They no longer need that line of deception, so they're no longer using it. They've dropped it. But they haven't dropped it in favour of the truth. None of the budgets of this government since 1982 have been accurate or believable. None of them have given any reason for the public of Saskatchewan to believe them, and the budget we're now debating is no exception.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — This budget is replete with statements and figures which ought not to be believed. But this time there's a different agenda. This time the agenda is not to say that everything is rosy but to say that everything is very, very tough and we've got to savagely cut social programs, and to pretend, as members opposite are — and we've heard them stand up and say, there are tough times, we've got to act. They are saying there are no options, and they're wrong . . . (inaudible interjection) . . . The member for Weyburn is suggesting that I should say something about the taxation of oil companies, and therefore I will, because it is one of the choices they have.

(1500)

A fair estimate of the value of oil which will be produced in this year, 1987, in Saskatchewan, is \$165 billion. It's a fair estimate. The member for Swift Current may wish to

dispute that, but not far off. And in 1983, Mr. Speaker, the value of oil produced was \$1.65 billion. And in 1983, Mr. Speaker, and that was a PC year, let's understand that — I'm not talking about oppressive New Democratic party royalties as they're wont to say, I am talking about PC royalties — in 1983, on that much oil they collected royalties of 42 per cent, or \$685 million. This year, when I predict the production will be very similar, they budget returns of \$309 million, well under half of what they themselves collected short years ago in 1983 on the same value of oil.

Well I want to talk about oil royalties because it's pretty clear that when you're saying to the oil companies, between '83 and '87, you can have a \$300 million tax cut — which is what they're saying — somebody's going to have a \$300 million tax increase. And guess who? It's the ordinary people of Saskatchewan.

You know that extra money that could be had if they would apply royalties at the same rate that they themselves applied in 1983, that would be an extra 2 to \$300 million more than the total of the so-called savings for the drug plan, or children's dentistry, and chiropractic care — all of them together — universities, community colleges, technical institutes, John Howard Society, transition houses, native organizations, grants to the cities. They all don't add up to 2 to \$300 million.

So there are choices — so there are choices. You could choose to tax the oil companies at the same proportionate rate you did in 1983 — and there were people working in the oil patch in 1983 — or you could choose to cut health and education and social services. And you have chosen to cut health and education and social services. You could tax ordinary people or the oil companies, and you have chosen to tax ordinary people.

We'll hear members opposite say that we have to cut taxes to create jobs. And I think I heard one member opposite just about say that now. Well, Mr. Speaker, we've heard all this before. Between 1982 and 1986 this government said that it needed to cut oil royalties to show that they were open for business, to show that they would create jobs — long-term, stable jobs — and to diversify the economy. Diversification has been a buzzword of this government for a long time, and many of us have regretted that they haven't turned their mind to doing something about it but only talking about it.

And the tax breaks were given, Mr. Speaker, huge tax breaks, totalling \$1.5 billion between 1982 and 1986. And '86 came along and the \$1.5 billion was gone, and so were the long-term, stable jobs. They were gone too.

Now there's no doubt that in the oil patch there will be some jobs. But they have provided to be temporary jobs — temporary jobs because many of them which came in 1982 and 1983 were gone by 1986, and that's not a long-term, stable job. And those jobs cost us \$1.5 billion. And the government opposite could have taken that \$1.5 billion and used it to diversify the economy, to create industries or activity all across this province, and indeed there then would be thousands of long-term, stable jobs.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — They chose not do that. They chose to give the money to the oil industry and to take their word for it that the jobs they would create would be long-term and stable. And they have not been. The oil industry came in and said, we've had \$1.5 billion, yes, but times are tough and we need more tax cuts. So in December 1986 there was another round of royalty cuts to get the oil companies to create some more long-term, stable jobs to replace the ones that were gone.

Once again, the ordinary taxpayers are asked to pick up the slack. Yes, there are choices. You could choose to side with the oil companies or ordinary taxpayers, and you've lined up with the oil companies. You've made your choice. You have made your choice, and it's no use you saying that you have to cut these services; it is no use you saying that there are no alternatives. There are alternatives. There are choices. You've made your choices, and the people of Saskatchewan will judge you on the choices you have made.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — The government opposite is fond of saying that every dollar counts. These are tough times and every dollar counts. But I wish they would act that way. I ask the Minister of Finance and the Premier: if every dollar counts, why did you refuse to even raise a finger of protest when the Mulroney government cut transfer payments to the provinces by many millions of dollars? Or when it decided to increase prescription drug prices for all Saskatchewan people and also for the Government of Saskatchewan?

Mr. Speaker, these two federal government actions are going to cost the people of Saskatchewan at least \$75 million a year. That's more than a full percentage point on the sales tax. Every dollar counts, the government says. Then why don't these \$75 million count. Why don't they count enough to generate a little activity on the part of the government opposite to press the Mulroney government to treat this province fairly.

The federal tax system is so riddled with loopholes and special preferences and gimmicks which business and the very rich use, that we as Canadians, and we as Saskatchewan taxpayers, are losing tens of millions of dollars a year. The people are no longer denying that. People are admitting that the tax system is full of gimmicks and loopholes which are benefiting major companies and wealth tax payers.

And yet, the government at Ottawa has not acted to plug those loopholes, and the government at Regina has not urged it to do so. If every dollars counts, why aren't the government and the cabinet in Regina pressing the government and the cabinet in Ottawa to plug those loopholes and make our tax system fair so that corporations would pay their fair share; that wealthy people would pay their fair share; and that ordinary people were not asked to bear an unfair burden.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Well let me put a few figures in

context here. If all of the loopholes were plugged for major corporations and for the wealthy, there would be upwards of 15 or 20 or perhaps more billions of dollars coming into the federal treasury; and of that amount, the Saskatchewan government would receive perhaps as much as 5 or \$600 million, certainly 2 to \$300 million. Now that's a lot of money.

If every dollar counts, why aren't the members opposite pressing the Mulroney government to get on with the job, plug those loopholes, and see that everybody in this country pays its fair share, all of the corporations pay their fair share, the wealthy pay their fair share? And then the ordinary people of this country and of this province would be prepared to pay their fair share.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Now if every dollar counts, Mr. Speaker, I wonder why the government opposite doesn't turn its mind to some of the wasteful expenditures which it's pursuing.

I wonder why they don't cut the political staffs of the Premier and the cabinet ministers, which now I think stand at 183, which is about double what they were five years ago. Why don't they count the dollars that are going out to those people?

Now if Saskatchewan is in such desperate financial straits, then why are we proceeding to spend \$120 million on the political boondoggles known as the Rafferty and Alameda dams in the constituencies of the Premier and the Deputy Premier?

We all know that the Shand power project can go ahead without Alameda and Rafferty. That is only peripheral to building a power station. Alameda and Rafferty are dam boondoggles, and it's time they stop.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Why are Saskatchewan people asked to bear this double standard, where we can have tens of millions of dollars spent on projects for which no economic justification has been given to the people of Saskatchewan?

You know, members opposite say, oh, these are great projects, and they're financially sound. If they believed that, they would have made the figures available to the people of Saskatchewan. Request after request has been made for the analysis which shows that it's sensible to spend \$120 million on Alameda and Rafferty, and no figures have been given to the public. And I know why no figures have been given to the public — because no convincing figures can be given to the public. It's a political boondoggle and not an economic investment.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Well, Mr. Speaker, when it comes to the children's dentistry plan or to the money for the Voice of the Handicapped, we're told that every dollar counts. But when it comes to the hundreds of millions of dollars in tax breaks to the oil companies, or the hundreds

of millions of dollars that we, in Saskatchewan, are losing because of the federal tax loopholes, or because of the cut in transfer payments or the tens of millions we're losing because of the drug patent laws, suddenly, suddenly . . . (inaudible interjection) . . . Suddenly every dollar doesn't count; suddenly every dollar doesn't count.

My point is this, Mr. Speaker: the government has choices. It doesn't have to savage public services like the health care and education systems; it doesn't have to hit ordinary people with huge tax increases. There are other sources of revenue. Members opposite really can't deny that, but what they're saying is that it's not their job to see that the major corporations in this country pay fair taxes. It's not their job to see that the oil companies pay royalties at the same rates that they did two or three years ago; that all these things are somebody else's problem; their job is simply to tax ordinary people and to cut services to ordinary people. And believe you me, they've pursued that.

But I want to narrow my focus a bit and say that even within the cuts they have choices, and they've made the wrong ones. Let's take gasoline tax. Suppose I have a friend who's a Regina lawyer. And his office staff comes to work on the bus, on the city transit, and before they finish the day on a lovely afternoon like this, the Regina lawyer jumps into his car and goes out and plays a round of golf. Members opposite have decided that the gasoline, the fuel in the vehicle which takes the staff to work should be taxed and that the transit rates should reflect the fact that the fuel is taxed. But when the lawyer jumps in his car and drives to the golf course, well of course that should be tax-free. And that is true; that is what they have decided, and it makes no sense. It encourages people to use the cars in the city. You should be in . . . In Regina they should be encouraging transit use. It makes no sense to encourage people to drive their cars in the major cities. It taxes people who ride buses in the cities.

And the member for Weyburn is saying they don't have a transit system in Weyburn. Very well, but they have an STC (Saskatchewan Transportation Company) bus. They used to say of STC buses, it's cheaper by far than driving your car. Now they're trying to make clear that it isn't that much cheaper because for people of lower incomes who ride the bus they say, oh, that's got to be taxed fuel, and the bus ticket has got to reflect that taxed fuel. But if they can jump in their own car and drive, like the member for Weyburn doubtless does, then of course that's tax free. And that is exactly what they're saying, and even in their own choices, even within the cuts, their choices don't make sense. It makes no sense on the ground of business or on fairness.

(1515)

Let's take their housing grants. Until a few weeks ago, they had two housing grants, one for senior citizens — the senior citizens' home repair grant — where they paid money to senior citizens with a limited income up to \$16,000 so that they could remain in their own homes. And they had another housing grant which gave grants to lawyers and business men with income of \$50,000 or \$100,000 or \$250,000 to help them install a hot tub so they could have a trendy party.

And they decided in the name of restraint to cut one. Well by now we know which one they've cut. And you're right — they cut the senior citizens' home repair grant, where the income is a limit of \$16,000, and they left the grant for the trendy lawyer who wants to put in a hot tub and has a minimum income of \$200,000 a year.

Or take the matter of salaries. We've heard ministers of the Crown stand up and say nurses should have their salaries frozen, other health workers should have their salaries frozen, and so should teacher and educational workers and those who work with the handicapped — no salary increases. We're in a time of restraint. And yet we have a new president of the Saskatchewan Power corporation who is getting, at an absolute minimum, 50 per cent more than the previous incumbent, and no one denies that. No one will deny that.

The previous incumbent who had 30 years service and was a professional engineer and knows something about power; the current incumbent who has a Q.C. and well . . . I don't know who this new paragon of power, this pearl beyond price is, but when we look we find that he is the past president of the Progressive Conservative Party from Estevan — from Estevan — George Hill. No suggestion that that salary should be frozen or even increased by 5 per cent — at least 50 per cent. So this is unfair, and outrageously unfair, and the people know it's unfair and they won't forget.

And there've been other patently political patronage appointments — Paul Schoenhals, who was the minister in charge of the Potash Corporation of Saskatchewan in the years when it lost the most money, and on the basis of that qualification he has been created the full-time chairman. A corporation which is down-sizing, and which never before had a permanent chairman, now has a permanent chairman costing us 80 or \$90,000 a year.

And I won't recount the similar success stories of Messrs. Dirks and Embury and Birkbeck and Parker and Rousseau and Young, to name a few. All of them, all of them, Mr. Speaker, are engaged in down-sizing the taxpayers' pocket-books. This government is pursuing a blatant double standard.

Now, Mr. Speaker, Saskatchewan people will pull together in time of diversity. They are prepared to sacrifice, but they insist that the sacrifice be fairly distributed. This budget does not do that; it is not even trying to do that. And that's why there's massive opposition to this budget in all corners of this province, and this government is going to hear about that.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, this budget not only hits ordinary people with higher taxes directly, but it's going to cost them a lot of money indirectly. I want to refer to my own constituency of Regina and to my own city, but I know that the city of Regina, because of this budget, is going to lose about \$6 million — a little more than that really, it's closer to \$8 million. Six million dollars in capital grants; a half a million dollars in street urban assistance; a million dollars less in revenue sharing; more

than half a million dollars extra because of extra costs from the sales tax and the gasoline tax. Eight million dollars for 200,000 people — fewer than that — \$45 per person, \$180 for a family of four, is another tax increase on top of the ones which show up in front of the budget.

That, Mr. Speaker, is yet another tax shift, a tax increase which was shifted from the provincial government to the municipal government, but must just as surely be paid for by the people of Saskatchewan.

If I looked at this budget and inquired about where there had been big cuts, you might be surprised, particularly from a government opposite, the biggest cut has been in agriculture. And these are absolute cuts. If you take last year's estimates, add the supplementary estimates, then take this year's estimates and take out this phoney business of charging the government departments rent for the buildings the government owns, we find that the Department of Agriculture is going to get \$170 million less this year than last. We find that the Department of Education is going to get \$23 million less than last — \$23 million less.

And the Department of Health — and we are assured daily that they're spending more and more money on health — a simple look at the figures will show that they are budgeting a cut in health, a small cut, \$4 million, but a cut in the actual number of dollars. And when you apply what we know are inflationary increases in prices, particularly from goods which come from outside of Canada, that is a sharp cut in health services.

Urban Affairs is going to experience a cut of \$15 million — \$15 million — and that means lower services or higher taxes for people who live in cities, towns, villages, and rural municipalities. You may well ask, well, who's getting all the extra money? Well the biggest single increase, of course, is \$94 million interest on the public debt that goes to the bankers and the bond dealers. They're the big winners — big winners.

The other one, at least if you just compare the estimates, is the home program, although if you compare the supplementary estimates there is not an increase.

And what agencies are getting staff cuts? Well I just gave a . . . I prepared a brief list because it gives some idea of the priorities of this government, where they are cutting staff: Indian and Native Affairs, Women's Services, Youth Services, Human Rights commission, the Law Reform Commission, Health Education, Community Health Services, the Saskatchewan dental plan, the Mental Health Services — cut by over 100 — Northern Health Services. Increases? Well, Corrections Administration has a big increase.

Mr. Speaker, that tells you something about the priorities of this government. We have ideas about their choices when it comes to raising money. We have ideas about their choices when it comes to spending money.

Mr. Speaker, I want to refer very briefly now to the approach of this government to Crown corporations. And I note that at their convention last fall, or last spring, their treasurer, Mr. Milton, said that in his opinion everything

but SPC and SaskTel and the auto fund ought to be privatized. And I think that represents a view of members opposite. That means things like the general insurance part of SGI, and the Saskatchewan Transportation Company, and Agdevco (agricultural development corporation), and Saskatchewan Minerals, and many others should be, to use the felicitous phrase of the former member for Wilkie, transferred to the private sector.

But I just want to say, Mr. Speaker, that this is all part of a plan by the right, as represented by the Progressive Conservative Party, to convince people that somehow government is bad, and that we here on the prairies should not use government at all in order to gain some control over our own destiny.

Well, Mr. Speaker, it is not popular to say that more government is good government, but I want to tell members opposite that they are going to find out that less government is not going to be acceptable to the people of Saskatchewan when they cut the hospital plan — they'll find out that people like government hospitals.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — I know there have been cuts in this city around the Plains hospital, and I'm not finding anybody coming and cheering and saying: what a splendid thing it is to get the government off my back! They're not telling me that. They're saying: what happened to my specialist? And I am having this said to me by medical doctors in this city who I am sure nobody every accused of voting NDP. No, indeed, they did not. They say it is simply bad, bad medicine to have all of the specialists fired at the Plains. And they're not therefore saying that they want less government — far from it.

We know that if we are to have protection from the great banks and the international oil companies, we have to use all the tools open to us. And that's why, in the early days, the people on these prairies, the farmers, banded together to form their own co-ops. And the people who press . . . people who first farmed on these prairies pressed for, of all things, a compulsory government marketing agency, the Canadian Wheat Board. And I don't find a whole lot of farmers saying: get that government off my back. Most of them are still saying: I like the idea of the Canadian Wheat Board.

And in the . . . Aha! Members opposite think that farmers scorn the Canadian Wheat Board. But I think they will find that, when push comes to shove, farmers will support the Canadian Wheat Board and will not adopt the doctrines of members opposite who say that everything offered by government is bad.

Mr. Speaker, I remember 25 years ago when this battle was fought and when people with the same mentality of members opposite were saying, "state medicine" as they called it, "iron curtain medicine" as they called it, was bad, and they wanted no part of medicare. And that's what the Liberals said, and that's what the Tories said, and if you want a list of high profile Tories who said it, I'd be happy to supply it — because I watched them. I watched it.

Senator Barootes was at the front of the parade. He has been the chief fund raiser for the Conservative Party in this province for a number of years, and he was right at the head of the parade of saying he wanted no part of medicare, no part of iron curtain medicine, as Tories then said it was. Because they believed that all government things was bad, and fundamentally they still believe that medicare is bad. Fundamentally in their hearts they believe that, because they think government is bad.

Well I think they will find that the people of Saskatchewan know that government should be used, co-operatives should be used, private ownership should be used, joint ventures should be used, and that we ought not to bar anything on the grounds of ideology. We ought not to bar anything on the grounds of ideology.

We ought to use all the tools open to us, otherwise we are going to be economic colonists. We are going to be beholden to the lords of capital unless we use local private ownership. And that's why we believe in the family farm and have fought for it. We believe in local co-operatives. We believe in . . . (inaudible interjection) . . . Yes, indeed.

And I think, Mr. Speaker, that the record over the years indicates that our vision of building Saskatchewan is that we should be using all the tools open to us in order that we might control our own destiny. That's our vision of Saskatchewan.

Some Hon. Members: Hear, hear!

(1530)

Hon. Mr. Blakeney: — Well I want just to add one point and then I will move to my closing remarks. Members opposite may feel that everything in government is bad. Members opposite feel that they . . . they may feel that they have, as a matter of ideology, to get rid of the Saskatchewan Government Insurance office, SGI, as we're seeing it announced in the paper, or at least reported in the paper, but it's part of our common heritage. And I want to say this: if members opposite decide to get rid of parts of our common heritage because of narrow ideological reasons, I think a future government of Saskatchewan will feel free to act to counteract this narrow ideology.

And I think a future — and I am merely predicting — but I think a future Government of Saskatchewan would feel free to enter the insurance field to compete to win back policies, to compete to win back business, perhaps every single bit of business, who would know, to give the Saskatchewan people a choice of insurance carriers that they now have — private, co-operative, and government. We think it's good for people to have a choice, and we don't think it should be barred because of the narrow ideology of members opposite.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I return to the theme of deception, of what the PC party promised last October and what it is now delivering. And I want to just say, Mr. Speaker, that this pattern of spend in the first term,

deceive the electorate and, after winning a second time, bringing in the hatchet men of the right, this has become a PC trade mark.

Ask about it in B.C. They know about that. Ask them in Manitoba — they used to talk about acute protracted restraint there — and now in Saskatchewan. And Canadians should know, and Saskatchewan people should know, that a vote for the PCs federally will be a vote for the same savage cuts by a wrecking crew with the same right-wing agenda as Saskatchewan people are now seeing. Mr. Speaker, when it comes to their approach to social services and fair taxation, a Tory is a Tory is a Tory.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — And I hope that Saskatchewan people are fully aware of this when it comes time to vote in the next election. I hope they know the perils of re-electing a PC government.

And now the Devine PCs are fully supporting the free trade initiative. It becomes clearer every day. Well, I want to talk about free trade because it impacts on all of us federally and provincially. It becomes clearer every day that if we link ourselves tightly to the U.S. we will be cut off from the markets of the Pacific Rim and the developing world. Let's not deny that. And we will inexorably be drawn in, not only to the U.S. economic system, but its social and political system as well.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — According to the apostles of free trade, our producers, our manufacturers, can compete, but we'll need a level playing field. And we all know what that means. Our exporters will have to have low, low wages, right-to-work laws, like their competitors in Alabama, and Georgia and Arkansas. And if we have any services left, they'll have to be paid for, not by taxes on incomes, personal and corporate, based upon ability to pay, because that would raise our tax levels above those in the U.S. They'll have to be paid for by sales tax on the consumer, which hits poorest, poorer people hardest. And, Mr. Speaker, understand that that's what Michael Wilson was saying last Thursday. He is going to cut corporate taxes, he's going to cut the top rate for personal income taxes, and he's going to raise the money by sales taxes, which we all know bear hardest on ordinary and poor people.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Certainly we can compete with the Americans, but only by making ourselves, for all intents and purposes, Americans in our social and economic system. And Canadians don't want that. They want to be and to remain proud Canadians. And that's why New Democrats oppose free trade.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — There's another reason why we oppose free trade. New Democrats believe that Canada should be playing a more vigorous role on the international stage. The world is crying for voices for

peace, and for international reconciliation, for greater help for the Third World.

To paraphrase what Father Bob Ogle said in his book *North/South Calling*, the poor south countries like Brazil and Nigeria and Pakistan and Nicaragua and Bangladesh and the Sudan, and you name them, they're calling to all of us in the wealthy North to listen. We all know that Canada cannot act completely independently of the United States. We're not naïve, but we believe that Canada can do more, and we believe that a New Democratic Party federal government will do more.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — But only, Mr. Speaker, if we're not hopelessly tied to the U.S. by still stronger economic strings, strings all controlled by the U.S. Our ability to play a more important and more effective role for world peace is also at stake in the free trade talks, and that's another reason why we oppose free trade.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Now, Mr. Speaker, I am observing the clock. I will have other opportunities to express my views in this legislature. But it will be clear from my remarks that I will be heartily supporting the amendment and will be opposing the main motion.

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Thank you, Mr. Speaker. The standing ovation given to the Leader of the Opposition by his caucus was probably because this is probably the last time the hon. member will be replying to a budget speech in this House. And I must say, given the antics of the members opposite over the last week, I'm sure the hon. member is looking forward to his retirement.

Mr. Speaker, it's a pleasure for me to have the opportunity to take part in this budget debate. It is a pleasure because this budget sends an important signal to the people of Saskatchewan. It says that the Devine government has the courage to face up to the challenge before us today and that we, as a government, are taking decisive actions. In fact, Mr. Speaker, this budget puts Saskatchewan very much on track for the future. Once again, Mr. Speaker, Saskatchewan is going into the lead in responding to the opportunities of these changing times, and this budget shows not only strong leadership for our province, but it provides a lead to other provinces too, who will undoubtedly begin to follow as they have followed Saskatchewan's lead in the past five years. The people of the province, I'm sure, will be for ever grateful for the foresight and the leadership.

Mr. Speaker, consider the bases of the budget. The finances of this province must be well-managed and this budget does that in a fair but effective way. No one questions the need to diversify this province's economy, perhaps except for the NDP, and this budget continues our thrust of the past four years towards diversification of our economy. Like every province in Canada, we face the need to make adjustments to the health care system. And

again, we are acting to see that it continues to be the best such program in Canada, and it provides the people of our province with the protection they want and must continue to have. In today's fast changing world, we must adapt the education system to meet the increasing needs of our people, and that is exactly what we are doing.

Mr. Speaker, this budget does a masterful job of dealing with these issues. This budget is a blueprint for our future. It is a blueprint for the government strategy that will enable our people to respond to the challenges ahead and to enjoy lives of achievement and success.

Mr. Speaker, I am really disappointed at what the opposition members are saying and have been saying about this budget. They are deliberately misrepresenting what the budget says and what this governing is doing. They are simply ignoring the challenge facing the people of this province. They continue to live in the past, in their little make-believe worlds. They are calling, in one breath, for unlimited government spending, while at the same time suggesting that the deficit must be controlled. The members of the opposition are pretending that the prices of our resources, on world markets, have not declined. It is hypocrisy at its worst.

Mr. Speaker, let me assure you, that the people of Saskatchewan will not be so easily fooled as this opposition believes. The members across the floor may have little respect for the intelligence of the people of this province, but I can tell you that the members on this side of the House do not take our responsibilities so lightly.

I am disappointed, Mr. Speaker, that the members opposite have still not learned their lesson, that they continue to try to fool and scare the public. But I can assure them that their failure to address the real challenges facing this province will lead them directly back to their opposition seats four years from now, just as it has done twice in the past five years, in 1982 and again in 1986. The members opposite, Mr. Speaker, can choose to ignore it, but it is no wonder that Saskatchewan has a financial problem. Wheat prices are at their lowest in 40 years. Oil prices fell from \$42 a barrel in 1985 to \$14 a barrel in 1986. Potash nearly . . . was at \$155 a tonne in 1981, has fallen to under \$80 a tonne in 1986. Uranium has fallen from \$50 a pound in 1978 to \$24 a pound in 1986.

But, Mr. Speaker, a good deal of our problem comes from the disastrous miscalculations of the former NDP government led by the then premier, Allan Blakeney. In the boom days of the 1970s, prices of Saskatchewan's products outpaced inflation and the NDP government was, even then, living in a dream world. They assumed that even higher prices were on the way, and it structured, Mr. Speaker, its spending plans accordingly.

The Minister of Finance explained that very clearly in his budget address last week. He recalled that in 1981 the then minister of Finance, the present member from Regina North East, told the international investment community that oil revenues would increase by almost 180 per cent by 1986. That's what that member said. He said that oil revenues in the province would increase between 1981 and 1986 by 180 per cent, but instead they

have declined by 60 per cent.

This financial NDP wizard also said that potash revenues would increase by almost 220 per cent, but instead they have declined by 80 per cent. But he went even further, Mr. Speaker. The member from Regina North East, as Minister of Finance under the NDP government, also said that uranium revenues would increase by over 350 per cent, but instead they have declined by 40 per cent to revenues of \$18 million this year. I would say that that's quite an exercise in economic predictions made by the member opposite.

In fact, Mr. Speaker, Saskatchewan government resource revenues have fallen by 50 per cent since 1985, declining from one third of government revenues in 1981 to only 13 per cent today.

No wonder it's necessary to streamline the operation of government to fit the economic and fiscal realities. Had we failed to act, Mr. Speaker, the annual interest payments on our debt would have reached nearly \$1 billion by 1981, and we find that totally unacceptable. Of course, our Minister of Finance had to act to reduce this province's deficit. Yes, he said, it would have been easy to follow Manitoba's recent lead of simply raising taxes to meet heavy government expenditures — taxes on gas, taxes on clothing, taxes on food, a real estate transfer tax. That's what they have in Manitoba, Mr. Speaker. But this government is taking a more thoughtful and responsible approach.

(1545)

We reviewed all government spending and reduced the less-needed programs. And no wonder the opposition is trying deliberately to hide the real fact from the public. Let us look at the opposition's scare tactics and scare cries regarding taxes. Yes, the Minister of Finance did increase some taxes, like the E & H tax, and he has imposed a gasoline tax while sparing Saskatchewan individuals. But essential goods such as clothing, footwear, heating, and electricity are exempted from the E & H tax; and farmers are exempt from the tax on imports such as machinery, fertilizers, and pesticides. My colleague is also seeing that trust and loan firms pay more share in taxes.

But let's not overlook the tax reductions. A \$200 sales tax reduction will protect lower-income families. And there is a \$300 tax reduction for home-makers, and a \$200 per child tax reduction. Single parents will get a \$500 tax reduction for their first child. Senior citizens will get a supplementary \$200 tax reduction. This means that a married senior couple with a net income of \$17,000 will receive \$350 in tax relief. A single mother with two children and a net income of \$15,000 will get a \$650 reduction in tax relief. And a family of ours, Mr. Speaker, with a net income of \$20,000 will get a \$400 tax relief.

Mr. Speaker, the fact is that Saskatchewan residents still pay the lowest amount of taxes of those in any other province except Alberta. If the Quebec tax rates were imposed on Saskatchewan residents today, taxes would rise by over \$800 million. And if the Manitoba tax rate were imposed in Saskatchewan, Mr. Speaker, our taxes would increase by well over \$500 million. In fact, thanks

to the tax reduction, many lower-income families will pay less tax next year.

And let's not forget that Saskatchewan families continue to pay the lowest costs for automobile insurance, electricity, home heating, and telephone service. So much for the high tax bogeyman that this raging opposition continues to scream and yell about.

But I can tell you, Mr. Speaker, the people of Saskatchewan will not be surprised that the government will continue to defend and develop our agriculture. Although the opposition will continue to try to mislead the public about this, my colleague, the Minister of Finance, said that the two central issues facing agriculture are simply low commodity prices and high debt. He said a second federal deficiency payment of 1.6 billion to \$3 billion will be needed for our farmers this year. He said that government will propose new ways in the upcoming weeks and months to finance farm equity in time for the public discussion this summer.

He went further and said that with interest payments now lower, the government is deferring some of the interest rate protection programs for farmers that we brought in in our first term, Mr. Speaker, and we are moving towards new development initiatives.

Some of the initiatives we are looking at are irrigation enhancement, and more effective ways to gather and distribute market information to producers. The livestock cash advance program will be modified to provide cash advances to livestock producers similar to grain producers. But let me underline a whole range of new and imaginative programs that will be developed over the coming months, Mr. Speaker.

A new thrust towards agriculture research, trade, and diversification is coming. Government will bring agriculture extension services into the technological era. We will be expanding local supplies of farm chemicals, fertilizers, and fuels. The production of generic agriculture chemicals will take place in the province. Initiatives in inland grain cleaning, feedlot and livestock development, special crop trading, and meat packing and processing are up and coming.

The agricultural development fund has been boosted to \$30 million. Commitment to irrigation development has been increased by \$7 million to \$16 million. The establishment of an agricultural development secretariat to promote the interest of agriculture communities and to focus on the diversification of our agriculture is coming.

Mr. Speaker, I would just ask: when was the last time farmers of this province had such a clear and positive program laid out to meet the challenges of the future? And I'm sure with the help of government, Mr. Speaker, I know that our agriculture producers will rise up to the occasion.

Mr. Speaker, the opposition has been particularly noisy and misleading about our changes in medicare, but they carefully ignore the fact that every province — every province in Canada — faces medicare challenges today. The opposition fails to note that Ontario is slashing the number of medical residencies in teaching hospitals by

15 per cent.

They fail also to note that in Manitoba they are reviewing the process for setting the physician's fee schedule, that it has also cancelled ophthalmology training, that Manitoba has increased its drug plan fees, and has closed hospital beds, Mr. Speaker. And probably the most important thing they choose to ignore is the fact that Manitoba is now asking Saskatchewan hospitals to treat some of their cancer patients over the course of the next months or years.

Yes, Mr. Speaker, the opposition is trying to mislead the public. It is afraid that the public will see that this government, led by Premier Grant Devine, is responding positively to maybe the biggest challenge facing every province today. Again, this is a case of Saskatchewan taking the lead in Canada and showing the way in how to deal with a major problem.

My colleague, the Minister of Finance, pointed out that the health care sector is beset by structural and systematic problems which prevent delivering the best health care systems possible. That system was built up through a simplistic "add on" mentality of the NDP. It lacks adequate accountability and performance standards; it encourages excessive use and high administration costs at the expense of patient care, Mr. Speaker. Many health care professionals believe the system does not fully utilize their skills. The truth is that about 500 separate boards now manage various parts of the health care system, and they are eating up funds that should go to patient care.

Opposition members never weary about crying out that there is a shortage of hospital beds. The fact is, Mr. Speaker, that Saskatchewan has 6.7 acute care hospital beds for every 1,000 residents — 31 per cent above the national average, and the highest in the country.

For the edification of the members opposite, I shall repeat that. The fact is that Saskatchewan has 6.7 acute care hospital beds for every 1,000 residents in the province. That is 31 per cent of the national average, and the highest in the country.

The fact, Mr. Speaker, we do have waiting lists for elective surgery in Saskatoon, and those waiting lists have doubled over the past five years. And we as a government are very concerned about this because even though health care spending the province has increased by 63 per cent in the last five years, the waiting lists continue to grow. The opposition would like to spend an ever growing river of money on that problem. It wouldn't bother looking to see that the beds in smaller hospitals remain under-utilized.

Mr. Speaker, the Finance minister explained it very well. He said, we don't have a hospital bed shortage; rather we have a serious utilization and distribution problem. Physicians are unevenly distributed between rural and urban areas, and this compounds the problem. The present system can also cause excessive use if used by physician services and medical procedures. That is why the government and the Saskatchewan Medical Association will be doing a joint study to examine the utilization of physician services. Our government is not

going frantic dealing with the symptoms of the problem; we are getting at the cause of the problem.

The system must become more responsible for the dollars it spends. Unlike the opposition which hides behind a profusion of words and emotion, the minister has clearly outlined his plan in a very simple and clear way for the people of the province.

The government will move towards a regionalized integrated health care system which is more efficient and more streamlined and more responsive and more accountable. The government will redefine the mandate of rural hospitals to accommodate the needs of the communities they serve. It will revitalize regional facilities, Mr. Deputy Speaker. Where needed, it will reduce duplication of services in cities. It will compare the ratio of spending on health care administration to the spending on front line patient care. It will decentralize decision making so all participants have a stake in how the system performs. The Health minister will soon be consulting to discuss how we should restructure this new regionalized system, Mr. Deputy Speaker.

Supplementary health care programs like the drug plan or the dental plan will be restructured. The drug plan remains in effect despite the allegations of the members opposite. The dental plan remains in effect despite the allegations and the teeth-gnashing of the members opposite. Mr. Speaker, that is what the people of Saskatchewan want. They want action that deals with the problem, not the outburst of misleading rhetoric that has been coming from across the floor.

The Finance minister went on to say a new priority of this government is substance abuse. The parents of Saskatchewan's young people have told us that this is their very real concern. And my colleague announced \$13.2 million this year will go to the Saskatchewan Alcohol and Drug Abuse Commission, a boost of 69 per cent. Why do members opposite not applaud this initiative by this government, Mr. Speaker? Why do they insist on being out of step with the public?

As I said, education is a priority of our government. The Minister of Finance noted that planning is under way for a new educational television network to begin delivering adult education programming next year. The government will also establish a new \$3.2 million educational outreach fund for teaching university and institute courses in smaller centres. That initiative, Mr. Deputy Speaker, is being well received by people in rural areas.

Of course a new and carefully managed strategy to greatly strengthen our adult education programs was announced earlier, and I believe that has to do with the integration of the community colleges system and the technical institutes to become regional colleges. This is the kind of action the people of Saskatchewan deserve and the kind of action that they appreciate.

Let me refer briefly to diversification. The word "diversification" means building new assets. Very simply, diversification is building new assets. That's why the government developed the Saskatchewan Builds program. It focuses on food processing, tourism, fertilizer

and agricultural chemical production, special crop production, ethanol production, health services, biotechnology, communication, electronics, information management, and trade. Various programs to assist in this are being consolidated into an economic diversification and investment fund, funded with \$22 million. That, Mr. Speaker, is a blueprint for progress. It will benefit every person in this province.

You will all remember our oil royalties were restructured in January. The June 9 land sale returned \$23.4 millions, almost twice as much in one sale as was generated in all of 1986-87, which we all admit was not a very good year for our oil industry. With the \$30 million enhanced oil recovery project to go ahead in the Swift Current area, and the new deep well discoveries being made recently in south-east Saskatchewan, it's clear our energy policies are working well.

Mr. Speaker, I could go on detailing more of the things in the budget that are setting this province onto a new course for greater growth and greater development and greater leadership to this country, but I know that many of these issues will be covered by my associates. So I would like to just say, Mr. Speaker, and conclude this way, that this is a proud day for me to be able to stand and speak on a budget that is setting our province on a course towards a future which will bring satisfaction to all of us.

We live in a wonderful province, a province of opportunity, that we're going through some hard times right now. The majority of the people in the province think we live in the best place in the world and that the opportunities for the future for not only themselves, but their children, are here. And under the leadership of Premier Grant Devine, the diversification of our economy, which will encourage people to stay and help the province grow, will continue.

As a people, we have come a long way since the pioneers first arrived, but there can be no doubt, Mr. Speaker, that this budget is setting the stage so that progress in the days ahead will dwarf anything we have seen in the past. I have no doubt that the people of this province understand this completely.

Mr. Speaker, I will not be supporting the amendment, but I am proud to say that I will be supporting the main motion.

Some Hon. Members: Hear, hear!

(1600)

Ms. Atkinson: — Thank you, Mr. Speaker. Today I rise on behalf of the people I represent to respond to the budget.

After months and months of government by decree, we're finally in the legislature. The government has tried to avoid accountability, but public opinion has forced them to call this legislative session.

For most of us the budget contains no surprises. We've had it announced bit by bit, piece by piece, day by day, and week by week. And finally the Minister of Finance has delivered us the real agenda of the Conservative

Party, the real ideology of the Conservative Party.

During the last five years, you've pretended to be populist. You've talked about tax cuts, you've talked about service improvements, but the talk is over and the truth is out.

You're the party of tax increases, and you're the party of human service cuts, and you've hurt a lot of people, a lot of people.

Last December, in my reply to the throne speech, I spoke of the people I represent, people who work, people who have worked hard and are now retired, and people who want to work. A large number of people in Saskatoon Nutana feel uncertain about their future, and they feel very betrayed by your government. And I want to talk about those people, and I want to talk about how your policies are hurting them.

I want to talk about Mr. And Mrs. Johnson. They're a senior citizen couple living in our constituency. They're living on a fixed income, the old age pension and the supplement, and you people have frightened them, and you've frightened them dearly. They both have heart conditions, they both have high blood pressure, they both have arthritis, and they have other additional health problems.

The Premier assured us the other day that he was going to talk to their doctor, when I raised the question in question period.

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

Hon. Mr. Maxwell: — Mr. Deputy Speaker, with your leave and leave of the House, and if the member has no objection, I would like to introduce some students.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Maxwell: — Thank you, Mr. Deputy Speaker, and I thank the hon. member and assure her that naturally you'll be able to continue immediately when I finish.

Inadvertently, earlier today, some students were introduced who weren't here, by a colleague of mine. So on behalf of the Deputy Premier, who unfortunately had to be in Ottawa today, I have been given the pleasure of introducing a group of students from Redvers School.

We have 30 students in grade 6, Mr. Deputy Speaker, accompanied by their teacher, Diane Dube. I will have the pleasure of meeting with this group in about 20 minutes time for pictures and refreshments and answer any question they may have. I'm sorry your own member isn't here today; it was unfortunate, but inevitable, that he had to leave this afternoon.

But on behalf of the members of the Assembly, we do welcome you warmly here today. We hope you have an enjoyable stay, a very safe summer holiday. I know you're very anxious. I've got a kid just about your age, and he's pretty anxious to get out and enjoy the summer, too.

Welcome to Regina; welcome to the legislature.

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, and the amendment thereto moved by Mr. Tchorzewski.

Ms. Atkinson: — Mr. Speaker, as I was saying earlier, the Premier's assurance the other day to the senior citizen couple that he was going to talk to their doctor about their drug costs hasn't alleviated their fears. They have to take those drugs because if they don't, their health will be seriously harmed; if they don't, they could die. And they're outraged that your government doesn't care. Quite literally, Mr. Speaker, they don't know what they're going to do. They don't know where they're going to get the \$322 each month to pay for the drug bills up front. And as their member of the legislature, I'm not sure either.

I'd like to be able to tell them that the Premier recognizes that he's made a mistake. I'd like to be able to tell them that the government opposite will reinstate the old drug plan and go back to the \$3.95 dispensing fee — a plan that gave people on lower and middle incomes a sense of security; a plan that said to them that no matter how tough times got or not matter how sick they got, there'd be no worries and no stress about having the money to pay for drugs.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — But the Premier of this province and the members over there don't care, and they certainly don't listen.

Mr. Speaker, I want to talk about another policy that the members opposite have introduced, and they've hurt elderly people and disabled people, and that's the Conservative government's 66 per cent increase in home care fees. Home care fees in this province have gone from \$3 an hour to \$5 an hour. This is a 66 per cent increase — a 66 per cent increase in one fell swoop. And I think that's wrong.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Senior citizens in my constituency say that they can no longer afford to pay for home care, and they certainly can't pay for home care with the increase in prescription drugs and changes to the prescription drug plan.

The Premier says that he's an economist, and I guess I have to believe him. I understand he does have some credentials. But this economist seems willing . . . he wants to push people into nursing homes and out of their homes. And it makes no sense economically, no sense

whatsoever, because it costs \$2,400 a month to keep people in nursing homes, and it costs a lot less to assist people and assist families in keeping their elderly people and disabled people in their own homes. And it makes no sense.

I don't know what the government thinks it's up to, but I can assure you that there are a lot of people who've been hurt by this policy, and I think it's time the government changed its mind.

As I mentioned earlier, I represent working people, working people who feel uncertain about their future. The people in my riding work hard to make a living. Many have worked for the same employer for a good number of years, and many are seeing their job security and their future threatened by the members opposite. They, Mr. Speaker, feel betrayed by the government.

Mr. Speaker, the PC party in 1982 promised to lower income tax. They promised to cut income taxes in this province by 10 per cent. And what have they done? They've introduced the largest tax hike in our province's history — unfair flat tax. The working people in my constituency are low- and middle-income people. The flat tax is particularly devastating because, unlike the big business friends of the members opposite, my constituents can't write off apartment purchases, they can't write off shares in the film industry, and they can't write off shares in the oil business.

For wage earners, the income tax deductions are the standard ones — for a spouse, a child, for contributions to a church or charity, and of course, for expenses associated with health care. For the most part the flat tax I applied to the gross income of the people I represent. And that's unfair, Mr. Speaker, and that's a betrayal of the Conservative government's promise to cut income taxes.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Speaker, the Conservative government also promised to eliminate the provincial sales tax, and that promise, too, has been broken. Instead of eliminating the 5 per cent sales tax, they've just increased it to 7 per cent. Another broken promise, and another betrayal.

Mr. Speaker, they also made another election promise. They promised that never again would we see the gas tax in this province. And people believed them. Two days ago the price of gasoline went up in this province by 32 cents a gallon. Another betrayal, another broken promise. In fact, I'd call it a falsehood. For the family that lives on my block, on my street, your government's tax increases have cost them \$1.765 extra per year, and that doesn't include the loss to the dental plan and that doesn't include the cost of prescription drugs. Where's the fairness in that, members opposite? How is this tax reform?

Mr. Speaker, I also want to talk about young people. When I was leaving high school in 1970, people thought that they had the world by the tail. We had a lot of hope. We knew we had no problem of getting into university; there was no problem in getting into technical institutes.

And we also had just elected a New Democrat government under the leadership of Allan Blakeney.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Speaker, we had hope; we had a future. We knew that when we left university or we left the technical institutes, that we'd have jobs. Well, Mr. Speaker, the Premier in 1982 promised the young people of this province that they'd never again have to leave Saskatchewan for job opportunities. And, in fact, his battle cry over and over again was: let's bring the kids home. Well I want to talk about how those kids have come home.

In the first four months of this year, 4,771 young people have left Saskatchewan. Young people are leaving this province in droves. Your government is providing young people with no jobs, no opportunities, and no hope. When you took office in May of 1982 there were 112,000 young people employed in this province. And in May of 1987, how many young people were employed? Ninety-eight thousand — a loss of 14,000 jobs for young people. Mr. Speaker, it means fewer jobs, fewer educational opportunities, and no wonder they feel betrayed.

Mr. Speaker, the young people of this province were particularly concerned to learn that your government has chose to eliminate 1,100 students spaces in our technical institutes and fire 142 instructors. But these are merely numbers, Mr. Speaker. I want to talk about some of those programs. In particular, young people were disturbed to learn that 55 seats in the certified nursing assistants program were eliminated, particularly when there were 165 people waiting to get into those seats in the last school term. With the stroke of a pen, the Conservatives have wiped out the certified nursing assistants program at Kelsey Institute in Saskatoon, and young people are wondering why.

They're also alarmed, Mr. Speaker, that the Conservative government chose to eliminate 80 students positions in the diploma nursing program at Kelsey. And they're disturbed that the University of Saskatchewan is considering cutting the enrolment in the baccalaureate program in nursing by practically 50 per cent in order to pay for the PC deficit.

And once again, Mr. Speaker, and Mr. Premier, the young people of this province are asking why. Why would the Government of Saskatchewan want to limit even further access to careers in the nursing profession at a time when all indicators point to a critical shortage of nurses in our province in the next five years?

My constituents, Mr. Speaker, were particularly concerned about he latest betrayal and probably the most important betrayal — the biggest betrayal of all — and that's the betrayal in medical care. For the residents of my constituency and for the people of Saskatchewan, there's a tragic irony that the PC government has chosen the 25th anniversary of medicare to launch its attack on medicare.

Mr. Speaker, medicare in this province was developed by

the people of this province. It was their courage and their determination and their vision. Together with people like Woodrow Lloyd and Allan Blakeney, it was the people of this province that made Saskatchewan the birthplace of medicare.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — And today, Mr. Speaker, the people of this province will not allow the members opposite to create Saskatchewan or make Saskatchewan the graveyard of medicare. They won't allow it, and they're going to fight back.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Speaker, the health care budget presented last week was not only a betrayal but it was also deceitful. For it tries to hide the fact that the Devine PC government is actually planning to cut health care spending in this province by \$19 million — \$129 million less than what they spent last year. When you take into account the supplementary estimates for last year, and when you take into account the more than \$10 million being funnelled to the property management corporation, and when you take into account the funding of capital projects, on a straight and fair comparison basis there is less money in this year's budget than there was in last year's budget. Higher taxes on Saskatchewan people for reduced services.

Now let's just look at some of those health cuts. Let's just look at some of those programs that the members opposite have chosen to reduce. Let's look under the heading: health capital funding. Funds for hospital rejuvenation and renovation and construction have been cut by \$9 million. Mental health services in this province, services that are desperately needed in all communities across this province; we've seen 100 people cut from those programs.

(1615)

And then there's threats to the chiropractic services — one of the most senseless cuts of all, Mr. Speaker — the threat by this PC government to place an arbitrary limit on the number of visits that one can take or have when you go to visit a chiropractor, services desperately needed by men and women who are in pain, and who are in need. I'd like to read a letter from a constituent of mine:

I'm a self-employed floor covering installer. I have lower back problems that chiropractic care alleviates when needed. I require three or four treatments in a row. One a month will not do me. I cannot afford to pay extra money for these treatments.

And the letter goes on, Mr. Speaker, and I want to read it:

I can only hope that your party will restore the programs that are being cut so ruthlessly. I have never paid attention to politics until the last six months.

And that's what people of this province are saying about

the health cuts by the government.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — And I know, Mr. Speaker, that the members opposite have received many of the same letters that I have, because I have been receiving copies of constituents' letters to the Minister of Health and to members of the legislature located in Saskatoon.

And it seems to me that it's time they started reading those letters, and it's time that they started listening to those letters because the men and women across this province are deeply concerned about the future of medicare, and they're deeply frightened by the government's actions, and they're frightened that you're going to destroy medicare. And I think it's got to stop.

I want to talk about some other health cuts — the elimination of the highly successful children's dental plan. This was an innovative health care service, a preventive service, a community-based service, and a cost-effective service. This program was eliminated by the stroke of a pen by the PC government. And as a 12-year-old neighbour told me: is the government really . . . is it really mean, or are they just plain stupid?

I can assure you, Mr. Speaker, that if this PC government thinks that they've made a popular political choice in eliminating the dental plan, they're wrong — dead wrong. Just go to the tens of thousands of children who were served so well in the more than 500 clinics across this province. Just ask the tens of thousands of parents throughout rural Saskatchewan if they're glad that their dental program is gone.

But in many ways, Mr. Speaker, in many ways the cruellest cut of all has been the cut to the prescription drug plan. Those cruel and wrong-headed cuts won't hurt the healthy, and they won't hurt the wealthy, but they will indeed hurt the poor, and they will indeed hurt people who are older, and people who are sick.

But will these drug cuts, these drug changes, reduce the cost of pharmaceuticals? I say the answer is no. But they will shift those costs to other people, shift them onto the backs of those in society who are most in need, most vulnerable, and least able to afford them. We have the solemn and formal election promise of the PC Government of Saskatchewan. The PCs guaranteed that they would abolish deterrent fees for prescription drugs. It was signed by the then member, Gary Lane — signed by Gary Lane, broken today by Grant Devine and Gary Lane.

I want to talk about hospital waiting lists in Saskatoon. As the members no doubt know, we have more than 10,000 people on the waiting list in Saskatoon waiting to get into the three major hospitals. People are contacting me daily about waiting lists that extend for eight or nine or 10 months. They can't get into hospital I've had several examples of people who've required hip replacement operations, or cataract operations and they haven't been able to get into hospital.

And it's interesting that the Premier today talked about people of our province going to Manitoba, because I can

assure you, Mr. Speaker, that there are hundreds of people leaving this province and going to Calgary because they can't get into Saskatchewan hospitals and they can't get into hospitals in Saskatoon.

And it seems to me that it's time that the government, instead of closing 308 beds at the three major hospitals in Saskatoon, did the right thing. I think it's time that they funded hospitals properly in Saskatoon, that they funded those hospitals so that we don't have to close hospital beds, we don't have to close operating rooms. What we really should be doing, Mr. Speaker, is extending the hours of surgery so that we could clear up that backlog. I know that there are a number of people who are suffering, and they're in a great deal of pain, and they're missing work because they can't get into hospital and I wish the members opposite, instead of cutting the health budget of more than \$19 million, had've thought about putting a little extra money into the three major hospitals in Saskatoon.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Speaker, it's clear that the government has further health care changes being planned, further reductions in service, further cuts, and further attacks on medicare. And many of my constituents, Mr. Speaker, fear that the government is planning to introduce deterrent fees on a wide range of health services.

And therefore, Mr. Speaker, I'd like to challenge the Minister of Health or the Premier to enter into this budget debate, to stand in this Assembly and to assure the people of Saskatchewan that this Devine PC government will not impose deterrent fees, will not impose health premiums. Will you give the people of the province assurances that you're not going to impose premiums or deterrent fees? Will those people do it? I wish they would because the people are worried.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Speaker, I'd now like to turn for a moment to the myths of the PC budget. There are three lies about the health care that the PC government opposite is trying to put forward.

First, they argue that their fiscal mismanagement has meant that they must cut health services to reduce costs — cut medicare to save medicare. Not true, Mr. Speaker. Just not true, for their attacks will not reduce costs. The costs of prescription drugs will not be less. The costs of healthy teeth of our young people will not be less. But now those costs will be shifted — not reduced, just shifted — and shifted onto those who can least afford them.

Second, they argue that they must destroy medicare to save medicare. Wrong again, Mr. Speaker. Dead wrong. Saskatchewan people know that we must review and assess our health care system, that we must strive to make it a cost-effective system. But we must not do that in the senseless and wrong way of the PC government by destroying medicare. We must protect and preserve medicare and then go beyond medicare to a better health care system for all Saskatchewan people.

Finally, Mr. Speaker, they claim that they have no choice. We have no choice, they say. We simply have to cut medicare. They say that their fiscal mismanagement and their \$3.3 billion Devine deficit means that they have no choice. But that's the biggest lie of all. And they have made choices, and they have made the wrong choices.

The PC government chose to give away more than \$1 billion to the big oil companies. The PC government chose to bail out Pioneer Trust. They've chosen to give our resources to out-of-province corporations like Manalta Coal and Weyerhaeuser. The PC government chose to provide patronage jobs at high salaries to defeated PC candidates, and PC cabinet ministers like Mr. Schoenhals, and Mr. Dirks, and Mr. Embury. The Premier's choice to fly off with his entourage to Japan at a cost of tens of thousands of dollars was another choice. PC choices, Mr. Speaker, and I say wrong choices.

Mr. Speaker, for more than four years the PC government pretended to be a populist government, promising goodies for everyone, promising tax cuts, promising improved services for health and education. They promised the sun, they promised the moon, and they promised the stars. But with this budget, the populist mask has been stripped away. Now the people of Saskatchewan see this government for what it really is. Now they see its deliberate, determined, reactionary nature; now they see its reactionary ideology unleashed. We've seen a tax on working people, we've seen a tax on young people, on senior citizens, and families. You've seen a tax on the very social fabric of Saskatchewan. What they've done is they've replaced co-operation and trust with fear and mistrust; tax increases for ordinary people, tax cuts for big corporations.

Mr. Speaker, over the past months I suspect that the PC members opposite have lost track of all of the cuts that their government's made. Does anyone on that side of the bench really remember the first cut announced by the Devine government after the last election? Do you remember the first one? Well I do, Mr. Speaker. The very first cut announced back in December was the cut in royalties paid by the oil companies.

Mr. Speaker, when it comes time to vote on this budget later this week, some PC members opposite will vote for it. They'll be voting for cuts and royalties to oil companies and cuts to the prescription drugs and cuts to the dental plan and cuts to the Human Rights Commission and cuts and cuts and cuts. And I think that their constituents will judge them accordingly.

Mr. Speaker, for the reasons that I've outlined in my response to the budget, I cannot support this budget and, therefore, I'll be voting for the amendment and against the budget. Thank you.

Some Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Thank you, Mr. Deputy Speaker. It's a pleasure for me to rise in this Assembly and respond to the budget introduced by the Hon. Minister of Finance for the province of Saskatchewan.

Mr. Speaker, the budget clearly outlines this government's commitment to fiscal responsibility and of the building of our economic base to secure this province's future, not only for our children but for their children too. Protecting and building Saskatchewan has and always will be a strong commitment of this government.

There are many opportunities, if we work together, to provide services, to provide a quality road network, to provide jobs, to provide processing and manufacturing for raw materials, not exporting both the jobs and materials to central Canada. Both of these are ours to have if we look after them.

The Department of Rural Development has worked carefully and looked carefully, and reviewed all department expenditures to see how we could become more efficient, more streamlined, but at the same time be part of a building of rural Saskatchewan. Through this process, we consulted with members of rural municipalities from one end of this province to the other. The rural municipalities understood the need to control both their expenditures and ours at a time when revenues are very low.

And you heard the Minister of Consumer Affairs speak about how revenues are down. Wheat prices, we all know, are down by more than 50 per cent; oil prices, down from \$42 a barrel to \$14 a barrel and low; potash prices down by almost 50 per cent; uranium prices down by almost 50 per cent. And we do have knowledge of these revenues and the prices, and we know that they are down.

So what we set out to do was to bring our financial situation under control. Through our consultations with rural municipalities we examined ways to reduce our expenditures, yet build and maintain essential services to the people of Saskatchewan. This was a very extensive undertaking, but I'm very pleased to say that with the co-operation of SARM (Saskatchewan Association of Rural Municipalities), the rural administrators' association, we were able to hold the line on our expenditures. Working with those elected by rural municipalities, we've been able to both be beneficial to the province and to the rural municipalities.

We've been able to bring in many, many different . . . many benefits, at the same time holding our expenditures. We had a 1 per cent reduction in revenue-sharing grants, unconditional revenue-sharing grants. But we had a 10 per cent increase in re-gravel grants. We retained, and we'll have the opportunity to improve and build on the high-volume, high-traffic road program that we put into place in 1985. We'll be focusing on rural development corporation with the idea about diversification and services to rural Saskatchewan.

We will be introducing a new rural development Act, which we worked with both the SARM and every municipality in this province has had the opportunity to look at it, review it, and be part of it. We took the recommendations of the rural law review committee. We're going to make changes such as The Line Fence Act — changes in the way they vote. Right now if you have a

tie vote in a rural municipality, what you do, you pull a name out of a hat to see who wins. That doesn't seem very democratic to me, so what we'll be doing is putting our house in order, same as the urban folks have it. We'll be looking at the taxation base, variable mill rates, regional parks, resort villages, and many others in the new Act.

(1630)

But, Mr. Deputy Speaker, I'd like to talk a little bit about rural development corporations and what they can do for rural Saskatchewan, in fact for all of Saskatchewan, Mr. Deputy Speaker. It's a diversification of our rural economy. Mr. Speaker, it has become very clear that this government has, and will continue, to develop the programs and policies needed to ensure both diversification and development of rural Saskatchewan.

Many of you here would be familiar with the rural development corporation programs — maybe some wouldn't, but most of us would — which, along with our neighbouring rural and urban municipalities, they've worked together, which meets a certain criteria, to provide economic development and services for their area that they would not be able to provide on an individual basis. So it's people in a region working together to provide a service for their area.

I recently had the opportunity to attend three, and establish three separate rural development corporations in this province. And the member — he's not here — the member from Assiniboia-Gravelbourg was there at the one, the first one we incorporated that was down at Wood Mountain, which is called the Poplar Hills Rural Development Corporation. And I believe it's a very, very positive response from the people down there. In fact, I had an opportunity to meet with one of the folks from there today. We talked about it, and he says its come along really well, and in fact they're looking at three or four different types of services and developments for the area.

The other area that we've set up a rural development corporation in is the Sagehill area. You're all familiar with the Dana radar base. They will be developing that into both some job opportunities. They're looking at about five or six, in fact about 15 different things they could do with the base to develop both industry in there and jobs, and also they're looking at a couple very innovative things I'm sure you'll hear about in the future.

Another area that I had the opportunity to visit and to bring into focus was an area at Albertville. It's called the NORDCO (New Opportunities Rural Development Corporation) rural development corporation; it's at Meath Park, Albertville area, north-east of Prince Albert. I had the member for the area, member for Torch River-Shellbrook, with me and I believe the response there was almost overwhelming. They felt great about it. They had too thought of a lot of different ways they could develop service in the area, create job opportunities and, in fact, when we were there they listed three or four things that they planned to do.

Another area that we will be looking at over the summer — and we would be working with SARM (Saskatchewan

Association of Rural Municipalities) and the administrators' association and each and every municipality in this province, we've been talking about it at every district meeting for the last week or so — is road rationalization. Road rationalization simply means reviewing the current designated road network, and assistance rate structure to ensure that the programs are still serving the needs of rural municipalities.

Various road classifications were established as early as 1956 when the grid road program was initiated. Other programs were added over the years, such as the main farm access program in 1967, and most recently the heavy-haul, high-volume road program in 1985.

The present designated road network totals 54,800 kilometres and consists of eight basic road classifications, plus about four other combined classifications.

When the task force on rural development went around the province, they recommended that the road classifications be simplified to fewer categories and that the assistance rate should also be simplified.

Traffic patterns are changing in rural Saskatchewan, Mr. Deputy Speaker. Elevator consolidations, branch line abandonment will further increase the need to review the designated road network to ensure that the main network of rural municipal roads will meet the future traffic demands of the folks in rural Saskatchewan.

The objectives of the road rationalization include the following: a greater emphasis on high-volume roads carrying inter-municipal traffic; greater emphasis on reconstruction of the grid network; and less emphasis on reconstruction of lower-volume roads, such as the main farm access roads; and mostly and mainly, simplification of road classification and assistance rates. The designated road network was reviewed and roads were classified into five road classifications.

As I said earlier, Mr. Deputy Speaker, we've been going around the province at each SARM district meeting explaining, on a sort of a first-time basis, what we're looking at, asking for the municipalities for their input. We'll be going back out and talking to those municipalities, again asking them how they would see it in their each municipality, and then do it on an area basis, and then on a provincial basis.

The proposed assistance rates will then be structured to place emphasis on high-volume roads and less emphasis on roads mainly where we have local traffic.

And again, Mr. Deputy Speaker, that's, as I explained to the SARM district meeting in Moose Jaw this morning, this is proposals. They can . . . Anyway, we're prepared to listen to any and all proposals they may have, any changes they would like to make, and within a year or so we hope to have it in place, but through full consultation with each and every rural municipality, and certainly with SARM and the rural administrators' association.

Another area that I will be dealing with in this sitting of the legislature is SARM's private members' Bill to allow their public liability insurance for the 299 R.M.s in

Saskatchewan. This Bill will allow the R.M.s to have a \$2 million liability on all aspects of insurance needed, and this regards including environmental damage or protection.

And again, it is communication and working together to protect our farmers in rural Saskatchewan, Mr. Deputy Speaker. And you all know why we bring it in, the high court awards around the country — very, very high. And most R.M.s are finding it difficult to get public liability insurance, and I'm sure some insurance companies will oppose this Bill. But I believe that the record of the people who will be using this Bill to, in fact, put in place public liability insurance for the 299 R.M.s, it speaks for itself. We all know that they brought in the municipal hail insurance program, and we all know that's been very successful and very well run. And I would suppose and hope that we'd have the support of the members of this legislature when this Bill is brought forward as a private member's Bill, and we get it through as quickly as possible, because I understand they'd like to put in place this public liability insurance in fact this year, if it's possible.

I'd like to talk just briefly, Mr. Deputy Speaker, about agriculture. I had the opportunity, Mr. Deputy Speaker, to go to Ottawa and appear before the House of Commons Standing Committee on Agriculture. In fact, Saskatchewan was the only province that made a presentation to this House of Commons Standing Committee on Agriculture in regards to farm input costs.

I also had the pleasure in January of 1985 to . . . or 86 rather, to go around the province on a farm input cost survey. We held about 14 meetings around the province. We had over 2,000 people come out and give us their ideas and their presentations on how we could implement and bring in costs — farm input saving costs that would help the farmer out there.

Some of . . . what we did, we took our recommendations that we had made to the Premier. We presented them to the House of Commons standing committee. We had a lot of back-up material which we also provided to the House of Commons committee, and I was left with the understanding, Mr. Deputy Speaker, they would be taking it into consideration when they made the report to the House of Commons.

Some of the areas that I had the privilege to address was the farm interest costs in regards to the interest costs charged, especially on farm owned land. And we talked about farm financing, farm fuel taxes, fertilizer costs and how they could be contained, chemical costs — and certainly generic chemicals was a subject of discussion — feed grain switching, and research.

The one I'd just like briefly to touch on was . . . that we talked about briefly was on farm chemicals and the recommendations that we had made to them in regards to generic chemicals that we . . . the patent time, the product's specific registration procedures be removed or amended to facilitate the production of generic chemicals in Canada.

Also we insisted that environmental protection be put in

place, and we went through to explain to them how we felt it could be done. We also talked about the federal patent protection that's in place in Canada of 17 years. The committee there asked the question: would 10 years be an acceptable length of time? And certainly what we said to them was that it's much better than 17.

One other area I'd like to touch on briefly, and I know that it's very, very important to the people of Saskatchewan, and that's tomorrow I'll have the opportunity to join the Premier and the people of Melville to officially open the new head office for Saskatchewan Crop Insurance in Melville. Tomorrow represents another major step towards bringing government closer to the people of Saskatchewan.

And I can tell you, Mr. Speaker, the people of Melville have given us every welcome you could imagine. They've been helpful in many, many ways. In fact, I was looking through one of the articles of last week's Melville paper — and it was interesting to hear the member for The Battlefords last night, where he talked about his problems with the chamber of commerce — and the headline said, "Crop insurance and chamber working together to make Melville better."

I think that's very, very important, Mr. Deputy Speaker, that organizations, that members of the legislature, and especially, as you know, our member of the legislature for Melville has worked very, very closely out there with the chamber of commerce and with the crop insurance people to make it a success, and to make it beneficial to the people of the area.

Just to give you an idea what it would do to . . . what the crop insurance would do or the people of Melville in regards to spin-off benefits, there is about 300 crop insurance adjusters around the province. They all come into Melville for training. They bring their families; they spend money there. That is almost on an ongoing basis, week-over-week basis. That's a tremendous benefit to the area.

Another area would be the banking, the banking in Melville. The deposit alone of the insurance brought \$170 million last year into a banking system in Melville. What we've done, Mr. Deputy Speaker, we divided it up between the three banks — the two banks and the credit union in Melville. In fact, we asked the credit union how much they could handle, and that's the one they actually got. So we actually focused on the credit union, feeling they were more Saskatchewan oriented than some of the . . . than the other two.

Another thing to do with crop insurance, Mr. Speaker. This is the first time in this province's history all crop insurances will be based in rural Saskatchewan. And the farmers across this province have told me many, many times, as I've travelled around, that they really appreciate it. And I think, Mr. Speaker, you know the city of Melville has asked members opposite and ourselves, now that we're in government, to bring to Melville the Main Street of government. Well, Mr. Deputy Speaker, that's what we have done with crop insurance. We brought to Melville some of the Main Street of government.

Tomorrow, again, Mr. Deputy Speaker, you'll see a very large gathering of people in Melville, as the people of this fine city welcome the provincial government's head office to their city. And I know the members opposite may not be in favour, totally in favour of this gathering, because it's a service for rural folks being provided by a corporation located in a rural community. In other words, Mr. Deputy Speaker, it is farmers helping farmers in rural Saskatchewan.

But I hope the members opposite might take notice of this event because it represents this government's commitment to improving services to the people it serves. And I was also just looking at the same paper, and they were talking about the welcome of people to . . . the crop insurance to Melville. And I see here by the mayor, Don Abel, says, "Welcome to Melville, Crop Insurance." And he says:

One of the more gratifying things to have happened to our city during my time as Mayor has been the arrival of the Saskatchewan Crop Insurance Offices (to our city).

The official Grand Opening of the corporation on June 24 is an important day for our city, but I am not just referring to the new and beautiful building, but more the opportunity the people now working there have in our community.

I'd extend to them all the most hearty welcome, and I look forward to them blending into our community, and adding their expertise and fabric to our fine city.

I think that says very much in itself, Mr. Deputy Speaker, how important a relocation of a corporation such as Sask Crop Insurance to Melville can really be to an area like that.

The other thing I'd like to just briefly touch on is the crop insurance contracts. This year we have reached a high of 48,000-plus contracts for the Crop Insurance Corporation of Saskatchewan. It is by far, Mr. Deputy Speaker, the most of any province in Canada. In fact in the first year there was only . . . when you go back to the first year when it was brought into place, there was only 194 contracts, and their liability coverage was 306,000. Now, Mr. Deputy Speaker, we have 48,000 contracts with liability in excess of \$1 billion. That, Mr. Deputy Speaker . . . and we have also 23 million acres-plus insured under the crop insurance program.

Mr. Deputy Speaker, it's been a pleasure to speak and bring my thoughts on where I see rural Saskatchewan going, on our budget that our Minister of Finance has brought to control . . . not only to get our financial affairs in order, but to bring financial stability to this province for years to come.

Mr. Speaker, I will not support the amendment but I certainly will be supporting the main motion. Thank you.

Some Hon. Members: Hear, hear!

(1645)

Mr. Koenker: — Mr. Speaker, I enter the debate with pleasure because I want to represent the people of Saskatoon Sutherland, and to give voice to their concerns and to their convictions regarding this budget. They're feeling that the priorities in this budget are fundamentally misdirected and wrong. Indeed, so outraged are the people of Saskatoon and of Sutherland at this government and its warped sense of priorities, that I find it difficult to know where to begin in commenting on this budget.

Mr. Speaker, the fundamental problem with this budget is that it simply does not reflect the priorities of the people of Saskatchewan — the good people of Saskatchewan. They don't have a government as good as they are.

The people of Saskatoon Sutherland tell me they want a government that has a concern for fairness and a concern for caring for people, that puts the public welfare before private interests. They want a government that takes care of people who are sick, people who are elderly, people who need an education, or are vulnerable, before, long before they take care of the "Porkingtons" and the Paul Schoenhals of this province. Indeed, it is this sort of favouritism — precisely this sort of patronage and preferential treatment — that Saskatchewan people not only cannot accept, but they will not forgive. It is symptomatic indeed of the Premier and of the whole cabinet, that their priorities are fundamentally misdirected and wrong. Indeed, I would say fundamentally immoral.

Yes, Mr. Speaker, it is immoral for the Premier and this government, who said nothing about dismantling the health care system during the October election, who said everything about building hospitals and improving the level of care for the sick and the elderly, now to deliver a budget that ravages health care, the sick, and the elderly. A budget that allocates nothing, that says nothing about their election commitment to a new city hospital in Saskatoon, when in Saskatoon we have a waiting list of 10,000 people waiting to get into hospital. And this isn't just Saskatoon residents; this isn't just a rural problem. These are people from across Saskatchewan that need to come into University Hospital.

And what do we find this summer? We find 308 beds closing down — 308 beds for people who need hip surgery so that in the spring they can go out in to the fields and sow their crop, and in the fall they can go out and harvest it; 308 beds closed down for children who need ear surgery so they don't run the risk of going deaf.

And at the same time, this same government opens a new Premier's office in Saskatoon to increase its public image and its public presence, at public expense. And then I have to say, and the people of Sutherland have to say, did we have a government that is fundamentally wrong and misdirected in its priorities; a government that is, in fact, downright immoral in the way it conducts public affairs.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Mr. Speaker, it's not simply hospital care that is under attack or that is seeing this kind of double standard in the government affairs. One of the largest

special care homes in the province is found in my constituency of Sutherland, Sherbrooke nursing home. It has one of the finest reputations in the province. It's one of the largest homes. It's known for its innovation, for its cost efficiency, its high quality personal care, for the commitment of its director.

Now during the election, the people of Sherbrooke nursing home and the residents of the home and the people in this Sutherland constituency were promised an expansion project. On October 8, 1986, during the election, the residents of Sherbrooke were visited by a former cabinet minister, now gone to PC patronage heaven in the potash corporation to the tune of \$100,000 a year. That individual came to the Sherbrooke home and announced the government's commitment to construct 120 new beds — 120 new replacement beds — a wonderful plan to meet a real problem to convert what are now four-bed rooms into single-bed rooms. And the people of Sutherland, I know, as going to the door and talking to the residents of Sherbrooke home, welcomed that announcement — welcomed it with open arms. But that was during the election.

And what do these same men and women of Sherbrooke now find? What do these pioneers of Saskatchewan now receive from their government? A freeze on the expansion of this project announced on October 8. That's not what was announced on October 8, a freeze in the project; it was announcement that the project would go ahead. No, this PC government stood there at Sherbrooke with a duplicity and a broken faith, no commitment of any real significance to the people of Sherbrooke.

And if we go and we look at the annual report for the Sherbrooke home, which just came out last week, it's chock-full of information that describes the kinds of problems they are now facing. They recently completed in Sherbrooke home, an assessment on the residents who were considered level 4. And it turned out that a full 38 per cent of the residents in this home are assessed as needing level 4 care.

But this home receives not one penny of funding for level 4 care. Thirty-eight per cent of its residents need that level of care, are assessed at that level of care, and none of them receive funding for that level of care. In fact, this government chooses to impose fees on the residents of this home, \$73 a month, because it can't live up to its own responsibility to adequately fund the home.

Some Hon. Members: Hear, hear!

Mr. Koenker: — This annual report here from Sherbrooke home goes on to talk about the shortage of staff in the home, which is equivalent to 11.6 full-time people on the Sherbrooke staff. Sherbrooke is considered one of the largest level 4 homes in the province, if it were funded for level 4 care. But it doesn't get that level of funding from the government.

What it gets, in addition to the freeze on the construction of its project, is a freeze in the operating budget for its next two years, which includes a reduction in staff enrichments which was announced in October. A new pool, a therapy pool, was built at the Sherbrooke nursing

home, but the government won't give it money to fund the operation of the pool. The home has to go out and scrounge up funds that were promised for the operation of the pool, from the public itself. Some commitment to health care from this government. It's a betrayal.

Mr. Speaker, this government can find money, can find buckets of money to promote tourism, complete with contests and prizes and trinkets and beads, contracts for political friends, and then go out to drop promotion of dental hygiene and health care for people, to cut children and young people from the dental program. And the people of Sutherland say, that is fundamentally wrong, that is a misallocation of public money, that in fact is immoral.

The Finance minister says in his budget address, and I quote from page 14:

. . . the Dental Plan will be delivered through dental offices. The adolescent component of the program is . . . eliminated. This provides for the most (efficient) targeting of funds by ensuring that correct dental hygiene practices are established at an early age. In addition to improving the quality of dental care . . .

Well, Mr. Speaker, no one in the Sutherland constituency believes the minister when he says this is an improvement to the dental care system in the province. And I want to tell you, Mr. Speaker, that I had a dental therapist call me at my home one evening while I was eating supper. She was in the middle of her supper, and she was so upset by these cut-backs to the dental program that she came to me and said that she hoped to heaven that I would comment on the false economies and the wrong priorities that this government has in cutting that program.

Mr. Speaker, it being 5 o'clock — I call it 5 o'clock.

The Assembly recessed until 7 p.m.