

April 6, 1989

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Andrew: — Thank you, Mr. Speaker. I would like to introduce to the House three guests in the Speaker's Gallery. They are His Excellency Dr. Emilian Rodean, the ambassador of Romania; accompanying Mr. Rodean is Mr. Nicolae Dragiou and Mr. Alexandru.

They are in Saskatchewan visiting with various people and government officials in the province of Saskatchewan. They are here to observe our daily question period.

I understand that in your part of the world you are also looking at various new changes through perestroika and glasnost, and I would ask you to observe our forum and form your own opinions.

Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. On behalf of the opposition, I too would like to extend our welcome to the guests here from Romania and wish them a pleasant and a fruitful stay. Romania is one of those countries in the world which has contributed greatly to the multicultural nature of this country and this province of Saskatchewan. We are proud of that contribution and thankful for it, and I hope that the members who are here will enjoy the experience that they have in this proceeding of our Legislative Assembly.

Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I'd like to introduce some guests in that gallery — and I've never known east from west in this House — so it's that gallery, Mr. Speaker. And in that gallery, gazing down on the opposition to watch their behaviour, Mr. Speaker, are the mayor and some councillors and the administrator from the town of Carlyle, and I want to introduce them. They are His Worship Ted Brady, councillors Marilyn George, Wilma Lothian, Harold Smith and Edie Brady, and in addition is town administrator, Norman Riddell.

Now these people are all distinguished public servants, Mr. Speaker. In the case of His Worship, he is not only the mayor of Carlyle, but he has been the president of SUMA (Saskatchewan Urban Municipalities Association), he has been the president of the Canadian Federation of Municipalities. He is currently the chairman of the New Careers Corporation and doing a fine job there, I might add, Mr. Speaker. And at the risk of causing them some harm to their reputations, Mr. Speaker, they are also personal friends of mine.

So I would ask all members to join with me in a welcome to these people from Carlyle.

Hon. Members: Hear, hear!

Mr. Petersen: — Thank you, Mr. Speaker. I would draw your attention to your gallery where I have three friends of mine who are here today to observe the Assembly . . .

An Hon. Member: — That's all you've got.

Mr. Petersen: — There's more than three, but I only have three today. They are the Boyd family: Bob and Leslie, and their son Craig. They are from the State of Washington and are presently in the process of moving back to Saskatchewan, where Mr. Boyd is an employee with WESTBRIDGE, and young Craig plans to be playing with Notre Dame next year. I ask all members to welcome them to the Assembly.

Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. It's with a great deal of pleasure today that I introduce to you and the other members of the Assembly, a group of 10 high school students and their teacher from Central Collegiate in Moose Jaw, from which I graduated some, I'm afraid to say, 20-odd years ago. They are the Government Club. And I think it's a little bit unique; I know in the city of Moose Jaw that Central Collegiate has one.

I think it is excellent that that group of students who usually meet in the off times to discuss government issues and how democracy works. They are under the tutelage of their teacher Mr. Brian Swanson, who is also himself a newly elected politician, a newly elected alderman in city of Moose Jaw. I know that he provides a lot of insight to the students in this group, and they're going to be here today to watch part of the debate in the House and then meet with myself and the Minister of Education afterwards for a little discussion.

So welcome Central Collegiate Government Club, and I would ask all members to give them a hand of applause.

Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, I would like to join with the member from Thunder Creek in welcoming the participants and the leader of the government club at Central Collegiate to the Assembly here today. Both my colleague, the member for Moose Jaw South, and myself have had a number of very stimulating and interesting meetings with these young people, Mr. Speaker, and I'm very pleased to see them here today.

I would go so far, Mr. Speaker, as to predict that it would not surprise me that at least one of these young people some day may very well assume a chair in this Legislative Assembly. I simply wish to welcome the students as well as Councillor Swanson here with us, and I hope that their visit today will be very invigorating. Good to see you here.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Privatization of Saskatchewan Minerals

Mr. Romanow: — Thank you very much, Mr. Speaker. My question today is to the Premier, and it concerns Saskatchewan Minerals and PC-style privatization. I have in front of me here the 1988 annual report of Saskatchewan Minerals, the year that you privatized it, sir. And this report confirms that your government sold this company, Sask Minerals, to Quebec and Ontario corporations at \$5 million less than its book value. Once again it appears the people of the province of Saskatchewan have been — putting it bluntly — ripped off by PC style privatization.

Mr. Premier, my question to you is this: how can you justify the selling price for this privatization? How do you explain this \$5 million benefit to the private corporations at our expense?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'm not sure that the hon. member fully understands what book value means. In fact, Mr. Speaker, perhaps he admitted that he doesn't, given the question. In the report that I have, and I'm sure the hon. member has the same one: "The proceeds from each (of these) sale(s) exceeded the appraised value of the respective divisions." Now, Mr. . . .

The Speaker: — Order, order, order, order. I think I'd like to intervene early today to ask hon. member not to interrupt members from either side — from either side — who may be speaking today. Give them the opportunity to put the questions; give them the opportunity to answer the questions. I hope we will follow that convention today.

Hon. Mr. Devine: — Thank you, Mr. Speaker. I just point out to the hon. member from Elphinstone, that was talking from his seat, that the divisions are publicly appraised, and people evaluate them so that they know what they're worth. And if they are publicly appraised by accounting firms that say that the proceeds do exceed the appraised value, then either you question the — I suppose that's fair enough — you question the accounting firms, or what appraised value means.

That is different than book value. And the book value, I'm sure you realize, is what you may have totally involved in the particular asset at one particular time as you might have — and it was explained, I believe, in the newspaper — that you might have had a \$5,000 investment in a car, and today the appraised value is \$2,500, Mr. Speaker. And if you sell it for over that, it's obviously worth . . . you've done well in terms of the investment.

Now this is exactly the case with respect to book value and appraised value, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Hon. Premier. First of all, I have to thank him for that lecture on the difference between book value and appraised value. But if the Hon. Premier doesn't mind, perhaps he might hear a little bit of advice from me. And that is that when there's a commercially viable and successful company, almost invariably the appraised

value is higher than the book value. Now the book value in this company is \$20 million — not always, but almost invariably — is \$20 million, and you have lost \$5 million for the people of the province of Saskatchewan.

And my question to you, sir, is this. You say the appraisal says we got a fair price for Sask Minerals. My question to you, sir, is: will you undertake to table the complete copy of that appraisal report today?

Hon. Mr. Devine: — Mr. Speaker, I am going to again, for the hon. member, and particularly in this case for the media, Mr. Speaker, go back to — and this is book value, an appraised value — this is the case. The 1982 share offerings from the opposition member, from 1982, says here, and he's talking about Agra

The likely market value would only be about 50 per cent of CIC (Crown investments corporation of Saskatchewan) book value.

And he's offering shares in it.

An Hon. Member: — So what? So what?

Hon. Mr. Devine: — Now, I can go . . . So what, he says. Mr. Speaker, Mr. Speaker, I point out to the hon. member over and over again, and everybody in this House on this side of the legislature will remind the hon. members, they were going to offer shares to Canadians, to Saskatchewan people, in Crown corporations — in uranium, in potash, and in Agra — and they even go as far as to outline, which is passed by the Crown Management Board committee, that the market value would only be 50 per cent of the CIC book value, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question for the hon. Premier, and I want to come back to Sask Minerals and the report of the 1988 PC-style privatization of Sask Minerals.

Now, Mr. Premier, on March 30, 1988, one year ago, your minister in charge of privatization on the question of the appraisal report — which is what you're hanging your hat on, on this sale — said, and I quote:

The appraisal report will be tabled in this House. I gave that commitment to the Leader of the Opposition the other day.

That's what your minister said one year ago. My question to you is this: if that's the appraisal report, will you undertake to table that appraisal report today in the legislature of Saskatchewan to settle the argument as to whether or not you gave five million bucks away to your big business corporation friends in Ontario and Quebec?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well let's make sure that the people of Saskatchewan understand where the hon. member is coming from with respect to his views on public participation and privatization. We already know that he acknowledges that the market value can be 50 per cent of

the book value. He's already said that. So if he's offering shares in anything, he knows that you appraise it at today's market value, and you offer public shares in it.

The financial statements for the sodium sulphate division showed that it paid the government only \$40 million over the last 40 years, or an average of about \$1 million per year, Mr. Speaker. The peat moss division has shown a loss in every year except the last year. Now that's what dictates market value. It's a capacity and it's ability to produce profits for the province of Saskatchewan, and that is carried well on into the future.

And so when you're having it appraised, Mr. Speaker, as he acknowledges himself, it could be only 50 per cent of book value. And he acknowledges as well that he is going to offer shares to people across Canada in something like Agra or something like potash or something like uranium at market value, Mr. Speaker, because you can't offer shares at book value, and he knows it.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, a supplementary question to the Premier. Now that the Premier's got this PC-style privatization speech off his chest, answer the simple question. Why don't you table that appraisal report? What are you hiding? Table the appraisal report for us.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, we table and we present to the public all of the documents. When we do all the public participation and all the privatization, the documents reach this legislature, Mr. Speaker. And they will and they do, as we've seen in Weyerhaeuser and we've seen in Saskoil when we offered shares, Mr. Speaker. We put them out there. The hon. member has got nothing to hang his hat on today, so he says, well book value is the same thing as market value. And he's wrong, Mr. Speaker, and he's already admitted he's wrong, and now he said, well for Heaven's sakes at least offer us an appraisal.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, my question to the Premier is again a new question and a direct question. Your minister of privatization told this legislature — he made a commitment, a commitment that he would table that appraisal report. That is a commitment on behalf of the government and on behalf of you, sir.

You say that you did not get ripped off \$5 million worth or more, as far as the people of Saskatchewan are concerned. I'm asking you to honour that commitment and table that appraisal report, or is that another PC-style broken promise in a major area? Or is it cover-up?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we have tabled it in every case, Mr. Speaker. We have tabled them in every case, Mr. Speaker, so that the public knows. We have always done that, Mr. Speaker.

When the hon. member nationalized the potash industry, we didn't see any appraisals. The people of Saskatchewan didn't. When we offer shares to the public of Saskatchewan and the public of Canada, they all want to know what the appraised value is, or they wouldn't be buying shares.

Obviously this is the most public operation that you've seen in the history of Saskatchewan. Everybody can have the opportunity to purchase shares, and that member was for it, Mr. Speaker, until he ended up on that side of the House, and now he's against it because he's absolutely bankrupt when it comes to new ideas economically or socially, and that's what's wrong with the NDP in Canada today.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Premier, and he's not going to get off the hook that easily on this one.

I accuse the Premier of the province of Saskatchewan and the PC government of giving away \$5 million or more, or, putting it another way, being taken to the cleaners by the big business corporation friends of this government for Sask Minerals, and that your annual report proves that. I want you to table the appraisal report to show the difference and to show where I'm wrong in this regard.

You're not going to get off the hook. Table that appraisal report or you're covering up — you're covering up a bad deal.

Some Hon. Members: Hear, hear!

An Hon. Member: — Here's the report. I'm showing it so you can see it on television, Mr. Speaker.

The Speaker: — Order. Order. Order. I'd like to remind the hon. member that exhibits are not permitted, and I believe that report is being used in that fashion.

Hon. Mr. Devine: — Well, Mr. Speaker, in the report, Sask Minerals 1988 annual report that he quotes, it says, it's documented that:

The proceeds from each sale exceeded the appraised value of the respective divisions.

And, Mr. Speaker, every time we've offered them for sale to anybody else, we have tabled and provided the appraised values and we've shown how it was appraised. Mr. Speaker, the minister said he will do it in this case; he'll do it in this case as we have in every single case.

And the hon. member knows he doesn't have a leg to stand on. The book value, as his own minutes support, don't equal the market value or the appraised value. And he acknowledged that with Agra Industries, Mr. Speaker, and I acknowledge that here today.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, supplementary question

to the Premier. That answer is absolutely ludicrous.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Look, Mr. Premier, you have got an appraisal report which is either less than the book value, or you've got an appraisal report which is higher than the book value. You can prove this argument by tabling that appraisal report. The argument that I say is that it's \$5 million short. I know the annual report says they got more than the appraisal value, but if the appraisal value was \$10 million and the book value is \$20 million, you've lost money. Table the appraisal report to show exactly what's behind this sale.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, let me just say to the hon. member, I have said that we will table the document. I've said that. And I put this point out to the hon. member, Mr. Speaker, that he's not going to get off the hook by just asking to have something tabled. He is wrong in principle, and he is wrong in theory, and he's been unfair to the Saskatchewan people because he acknowledges, Mr. Speaker, when he was going to offer shares to the public of Saskatchewan that the book value might have been nothing related to the market value, Mr. Speaker. And I'm going to call him on that. He can't have it both ways.

We know that we've tabled all the documents, and that's why it's popular in the province of Saskatchewan. He didn't when he nationalized potash, Mr. Speaker, but he certainly was going to when he planned to offer shares to the Saskatchewan public. And we'll remind them every day in the House, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I welcome the Premier reminding the province of Saskatchewan every day about what we did or didn't do because we're going to remind the people of the province of Saskatchewan of how you are selling off the heritage of our families right now by privatization every day. Yes, we're going to do that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — I want to ask, and I want the Premier to listen to this question and not get his answer from the Minister of Finance. I want the Premier to listen to this question. I want the Premier to tell the people of the province of Saskatchewan how in the world he can justify the sale-off of a Crown corporation that produced a profit every year over 40 years except once; that never had any job loss as far as the families were concerned; that returned money to the public purse in order to finance schools and highways and hospitals and roads.

The return that you got from this sale is less than \$2 million. It's less than two days of interest charges as a result of the profligacy and the waste and the mismanagement of your Finance minister. What's the benefit to the people of the province of Saskatchewan for that kind of a sale-off? Give me that answer.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, you notice, Mr. Speaker, that the Leader of the Opposition says he doesn't want people to have a chance to buy shares in it if it's profitable. He says they shouldn't have an offer to buy shares in it if it loses money. He doesn't want people to have shares in it if people move out of the province. He doesn't want us to have public participation if they move into the province, Mr. Speaker. I just point out to the hon. member once more, once more, that the peat moss division could not be valued on an ongoing basis as an ongoing concern, Mr. Speaker. The analysis indicated that this division had never made a contribution to the company's cash flow since its acquisition by the NDP, Mr. Speaker.

Now if it had never made a profitable contribution and the NDP had it at a book value of whatever they thought it might be, if it was inflated, Mr. Speaker, and we wanted to offer shares to the people of Saskatchewan, then you have to have a true market value, and the NDP have acknowledged that in their own plans, Mr. Speaker.

I say again to the hon. member, we have tabled every market evaluation, and this one will be tabled and then we'll remind the hon. member the games that he played with the public of Saskatchewan, nationalizing the potash industry, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have to ask the Premier a new question. The Premier said, in response to the last answer, that this style privatization was a share offering to the people of the province of Saskatchewan. And he is flashing around this Sask Mineral report, the very same report to which he refers me to. And we know that it was sold to Kam-Kotia Mines of Ontario; we know he sold to Premier Canadian Enterprises Ltd. of Quebec — two private corporations.

Who holds the shares in those companies? How many shares do you hold in those companies? How many shares does anybody in the province of Saskatchewan hold in those companies? This was a straight sale-off of assets from the people of the province of Saskatchewan — not a sale-off, it was a give-away of assets to your big business corporations, and you should be ashamed of that. Where is the shares in this offer?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the public of Saskatchewan knows that the NDP are against business, Mr. Speaker . . .

The Speaker: — Order, order, order.

Hon. Mr. Devine: — I remind the hon. members that always the NDP are against business, Mr. Speaker, and they're against other Canadians investing in Saskatchewan. They're against it, Mr. Speaker.

I'm reminded, and I think it's quite appropriate, that Mr. Broadbent, when he just finished stepping down as leader

of the NDP, Mr. Speaker, he said, the serious debate about the future here in Canada and abroad is not about the desirability of a market economy. For most thoughtful people that now debate this, it is closed. Market economies have been responsible for the production of more goods and services since the second world war than were produced in all previous human history, Mr. Speaker. Ed Broadbent endorsing the market economy, saying that businesses and economies and investment from across Canada are good, Mr. Speaker, and the Leader of the Opposition and the NDP says, no part of it.

Some Hon. Members: Hear, hear!

Meeting in Estevan to Discuss Privatization

Mr. Hagel: — Mr. Speaker, in the absence of . . . if the Minister of Finance could be quiet and let me put my question, please, Mr. Speaker. Mr. Speaker, in the absence of the minister of privatization, I'll direct my question to the Premier of Saskatchewan.

Mr. Premier, I have here an advertisement from *The Estevan Mercury* dated, I believe, March 22 for a meeting of the Estevan PC association. You may be familiar with them. It talks about a meeting where one Bruce Evans, an adviser to the minister of privatization, will be speaking on, and I quote: " . . . the Advantages of Privatization IE: Liquor Board Stores, Potash Mines & more." And it also says, and again I quote, Mr. Premier: "You Must Be A PC Member To Attend!" Now I ask you, I ask you, Mr. Premier, is that what it's come to? Civil servants in the province of Saskatchewan, talking about your government's plans for privatization to a private PC meeting for PCs only for fear of being booed off the stage by the people of Saskatchewan, is that where it's at, Mr. Speaker, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, most of people in Estevan were at the meeting, Mr. Speaker, and most of the people there have PC memberships. We have held, I believe, 40 to 50 public participation open seminars across the province of Saskatchewan inviting employees, Mr. Speaker, and an awful lot of people that go to them, Mr. Speaker, are from every political persuasion. After they leave the meeting they are interested in buying shares in the province of Saskatchewan. We've held them with employees, Mr. Speaker. We've held them with people who had worked for the Meadow Lake saw mill and their employees, and now they buy the saw mill. They thought it was a good idea, Mr. Speaker.

We've held meetings all over. And from now on, Mr. Speaker, if any members of the opposition want to join us and learn about public participation at a public meeting, or a PC meeting, there's a standing invitation at any time, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hagel: — New question, Mr. Speaker. Mr. Premier, if you believe in open public meetings, you'd call the ultimate open public meeting and call an election and let the people of Saskatchewan decide.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Premier, I quote to you from The Public Service Act of your government, section 50, political activities, and I quote:

(1) No person in the public service shall:

(a) be in any manner compelled to take part in any political undertaking . . .

And I ask you, Mr. Premier: at what point does it become acceptable for civil servants, paid for by the people of Saskatchewan, to present government plans to partisan crowds, to PC audiences only. I ask you that, Mr. Premier; what gives you the right to do that?

And if it's okay, Mr. Premier, if that's okay for Bruce Evans to speak to your PC association, then would Mr. Evans as well be permitted to attend the New Democratic Party or Liberal meeting to talk about the privatization plans of your government, to answer the questions of those audiences, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I bring to the knowledge of the leader of the NDP across the way, is the resolution of the NDP — and this is from Estevan, as a matter of fact — PA 44. It says:

Whereas it is necessary to have civil servants and board members of provincial bodies who are dedicated to promoting the New Democratic program of democratic socialism, be it resolved that when the New Democratic Party is elected, a careful screening take place to ensure that such people are in place in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Now this is an NDP resolution. Mr. Speaker, this is an NDP resolution that says that public servants must be screened so that they support democratic socialism.

Mr. Speaker, this is Canada; this is not the Soviet Union. This is open, this is public, Mr. Speaker, and this is a democracy. And we are going to be . . . we'll make very sure, Mr. Speaker, that this will be public and it will be open and democracy will be upheld, not as resolutions we see coming from the New Democratic Party, Mr. Speaker.

Some Hon. Members: Hear, hear!

Soliciting of Political Contributions

Mr. Koskie: — Thank you, Mr. Speaker. I'd like to direct a question to the Premier. And I want to apologize for his rudeness to our guests in attacking another country in this legislature, rather than asking a question.

My question to you, Mr. Premier, is I have here a copy of a

letter . . .

The Speaker: — Order, order. Order, order. Order, order. We're having difficulty hearing the hon. member. Order.

Mr. Koskie: — Thank you, Mr. Speaker. I'll start again, and I hope the members will settle down because this is an important question that I want to put to the Premier.

Mr. Premier, I have here a copy of the letter from a chap by the name of Alf Bentley, old Alf Bentley, and he sent out a confidential letter to people around Saskatchewan begging for contributions to the PC Party — begging, that's what he's doing. And I was wondering, Mr. Premier, if you could tell us if this here . . .

The Speaker: — Order, order. Order, order. Order, order. We're all interested in hearing your question, but I'm having a little difficulty, I'm having a little difficulty.

Mr. Koskie: — This is an important question, Mr. Speaker, and I was about to put the question to the Premier. Mr. Premier, this fellow by the name Alf Bentley, chairman of the finance committee of the PC Party, writing letters across Saskatchewan begging for contributions. What I want to ask you, Mr. Premier, can you identify and tell us whether or not this Alf Bentley is the same fellow that held the \$95,000-a-year job with Cameco?

Hon. Mr. Devine: — Mr. Speaker, we obviously raise a great deal of money from people across the province of Saskatchewan by soliciting their support and, Mr. Speaker, we are proud of the fact that we have the most memberships of any political party in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And, Mr. Speaker, we know that we have a great deal of political support among employees of the Government of Saskatchewan who want to buy shares in corporations, Mr. Speaker. And we know we have a great deal of political support from farmers, Mr. Speaker, from small business, from all of those, and every walk of life in the province of Saskatchewan — in education and in health care, in rural and in urban, Mr. Speaker. And the hon. member can pick on farmers, or he can pick on business, or he can pick on public employees, Mr. Speaker, but I'll say to him, our party is open, Mr. Speaker, it's fully democratic, and I'll compare the democracy in this country with any other democracy in the world, Mr. Speaker.

Some Hon. Members: Hear, hear!

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. Lautermilch.

Mr. Mitchell: — Thank you, Mr. Speaker. I was speaking in the House the other day on a private members' motion concerning the economy of this province, and we were touching upon, at that time, the amount of interest that this province is now paying on the public debt. And while the House is sorting itself out after question period, I just might review the main points of that argument, Mr. Speaker.

The reality is that over the last seven years since the Conservative Party was elected as the government of this province, we have managed to . . .

The Speaker: — Order, order. I have a report here that I would like to table, and I missed it. I would like to ask leave of the House to table this report. Thank you.

TABLING OF REPORTS

The Speaker: — The report I would like to table is the report of the Ombudsman.

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. Lautermilch.

Mr. Mitchell: — Thank you, Mr. Speaker. I'll back up and start again. I was saying the other day, and I want to repeat that I was making the point that, as is well known, under the stewardship of this wonderful government opposite we have managed to accumulate a public debt of \$4 billion in the consolidated revenue of this province, and that this results in an annual interest payment that we now have to make, which according to the budget documents is in the order of \$380 million a year. And that, Mr. Speaker, is in excess of \$1 million per day, every day of the week, every week of the year; 365 days of the year at a million a day wouldn't even cover it.

And I was making the point the other day that what a pity that is, because think of how much we could do in this province if we had an extra million dollars a day at our disposal, an extra \$380 million a year. Think of the programs that we could launch. Think of the hunger that we resolve. Think of the fact that we could make food banks an entirely unnecessary thing in our society. Think of all of the child care and day care and all of the support programs that we could provide for the people in this province who need support. Think of the support that we could give to the agricultural community who badly need support in this time of drought and low international prices.

And I asked myself after I concluded those remarks the other day, Mr. Speaker, how it was that we got into this mess. I mean, everybody in the province knows the mess

that we're in. Everybody knows that since this government took office in 1982, we have every year accumulated a deficit; that that deficit has increased over the years to the point where it's now 4 billion. And I asked myself, how could that be? What went wrong?

And so I went back over the books. I went back over the books, Mr. Speaker, and I looked at the numbers. And it's to that subject that I want to address myself in the early part of my remarks today.

What I did was compare 1981, the last full year that the NDP were in power, with this budget, with this budget this year. And I want to just compare, or tell the House what those numbers reveal, Mr. Speaker. They reveal that the revenue being taken in by this government is a full 70 per cent higher today than it was in 1981.

Now, Mr. Minister of Education . . .

An Hon. Member: — Was there a drought that year?

Mr. Mitchell: — There was no drought that year. It was a good year, and in a good year the New Democratic Party government of the day took in revenues, Mr. Speaker, of \$2.4 billion — \$2,400,000,000. This year, according to the government's own estimates, a drought year, a year with all the other problems that my friend from Weyburn . . .

The Speaker: — Order, order. I believe we've had enough interruptions during question period, and I'd like to ask the hon. members to simply allow the member to speak — allow the member to speak. Allow the member to speak and the debate will go just fine.

Order, order. Order, order. If the member from Saskatoon South has something to say . . . Order, order. Order, order.

Mr. Lingenfelter: — Mr. Speaker, on a point of order. The member from Saskatoon was giving his speech. One member, the member from Weyburn, was ranting and raving from his seat. I think it's totally unfair that the Speaker would get up and refer to members when only one person was making a sound in the House. If it was happening from this side of the House, I'm sure you would have taken the opportunity to name the member, and I would just ask you to be fair in terms of who you name and who you don't.

The Speaker: — The member has raised an issue which is not a point of order. It is not well taken.

Mr. Mitchell: — Thank you, Mr. Speaker, thank you. I was making the point, Mr. Speaker, that 1981 was not a drought year; 1981 didn't have any of the problems that the member from Weyburn was speaking of while he was making his intervention from that side of the House. But 1989 is the year where we have all these problems, where our agricultural industry is in the dire straits that it's in, where we have the highest unemployment levels that we've had in this province since I can remember, and I've been in this province for a long time. And in spite of that we find that this current budget, this current budget provides for government revenues which are 70 per cent higher than they were in 1981 — 70 per cent higher. Over

\$4 billion is being taken in in the year 1989-1990.

And I looked at how that was broken down, Mr. Speaker, and these numbers are really worth considering. In 1981, the revenue coming into the government by way of provincial taxes was about \$976 million. In this budget, Mr. Speaker, it is \$1.993 billion, an increase of over 100 per cent, more than double the amount being taken by the government on account of taxes.

Mr. Speaker, that tax load did not fall evenly among the people of this province. That tax load fell unevenly. That increase in tax load, for example, in individual income tax paid — the tax that you and I and all of our friends and neighbours pay — has increased this year, compared to 1981, by 121 per cent, more than double.

(1445)

Well more than double the amount is now being paid to the government by way of income tax than was paid in 1981. That's us individuals.

How, on the other hand, do our friends the corporations make out under that same measure? We find that their increase, that the increase in taxes, in income taxes paid by corporations has increased by 15 per cent — 15.7 per cent. Just to say those again, our individual income tax, we, as individuals, our taxes . . . total taxes paid have increased by 121 per cent; the taxes paid by corporations have increased by 15.7 per cent.

And I go on, Mr. Speaker, to notice that the sales tax take, which is a direct pull from the government, from the consumers of this province, has increased by 67 per cent. In 1981 that total was \$300 million. In 1989 that total will be over \$500 million. And everywhere you look in these numbers which are included in the estimates for this year, you find that the tax take by the government has increased, and increased dramatically.

And I was surprised to find that, Mr. Speaker, because whenever government members are questioned about how come it is that they're not able to balance the books of this province, how come it is that we annually run a deficit, their answer is, well times are tough. You know, the farmers are having a tough time or the oil prices are down or the potash prices are down. Always there's some excuse which would lead us to believe, which are designed to lead us to believe that it's a problem in revenue.

Mr. Speaker, it's not a problem in revenue. In the last seven years this government has increased its revenue by a full 70 per cent — by a full 70 per cent. And in those circumstances there's absolutely no excuse for running a deficit.

Now I look through the other items. I note that in every category the revenue to this government is higher than it was in 1981. In receipts from government enterprises, we find a substantial increase — from \$522 million to \$760 million.

We find an increase in receipts from other governments have increased very dramatically, Mr. Speaker. As our

Finance critic, the member from Regina Centre, said the other day, this province is on welfare to the extent of \$400 million. So that 400 million is included in the revenue increase that this government is taking, but it accounts for 400 million out of the total revenue increase of almost \$2 billion.

Now I look further, Mr. Speaker, at the question of who's paying this extra revenue, and I look particularly at the oil industry. We on this side of the House believe — and the numbers certainly confirm — that the oil industry in this province has been granted large, large financial favours by this government. They have not been paying their share of the taxes that are needed to run this province.

And the numbers that are in the budgetary documents point that out and point it out very clearly. We find in 1981 that the actual revenue coming into this province from the oil industry, on account of oil, was about \$483 million. This year, Mr. Speaker, the estimate is \$173 million. There's \$300 million less coming in this year than came in the year 1981. Now how can that be?

Well, I say to myself, the price of oil is down, so is that an answer? I go to the numbers and I look more deeply, Mr. Speaker, and I find this: the value of oil sales in 1981 according, again, to government documents, the value of oil sales in the province was \$821 million; in 1987, the value of oil sales is almost double that, 1.5 billion — from a little over 800 million to 1.5 billion.

Now the price of oil certainly can't explain those numbers. We find an almost doubling in the value of sales, and we find the volume of sales have increased. Here I have 1982 numbers of 80 million cubic metres compared to 1987 figures of 120 million cubic metres, so it indicates that there has been about a 50 per cent increase in the volume of products sold, namely the volume of oil sold.

So I say, Mr. Speaker, that the weight of this increase, this massive increase in government revenue has not fallen equally upon all of the actors in Saskatchewan. It's fallen very much heavily, very much more heavily, on some people than it has on others.

At the same time, I look then at the question of expenditures, on what the government is doing with this money. And here, Mr. Speaker, lies the answer, here lies the reason why we have the deficit we have. In spite of the fact that government revenues have increased by more than 70 per cent, we still run these deficits because our expenditures are simply out of control. The expenditure for the 1981-82 year was about \$2.2 billion, Mr. Speaker. This year it is expected to be \$4.3 billion, an increase of over \$2 billion, an increase, Mr. Speaker, of more than 88 per cent. Now if your revenues are going to increase by 70 per cent and your expenditures are going to increase by 88 per cent, you're going to have a deficit. And that's the long and the short of it.

I ask myself: now how come we're spending so much money? Where is it that we're spending it? I mean, I go around my community of Saskatoon and I talk to a lot of people there. The people in the hospitals, they don't think that they're getting the benefit of all those increases in

expenditures. They can't see it there. I talk to the school teachers and they're not aware of the fact that they're getting any massive increase in money. I talk to the working people and they're certainly not getting it. As I've said on previous occasions in this House, Mr. Speaker, I've got a lot of social welfare recipients in my constituency, and they're certainly not getting the benefit of those increased expenditures. Where is the money going?

Well I don't have the answer to it. We on this side of the House just simply can't imagine how any government could be so incompetent and so wasteful as to have got us into the position where we now have a \$4 billion deficit in times when government revenues have increased by 70 per cent.

Now I want to turn for the second part of my speech, Mr. Speaker, to the free trade agreement which is part of the critic responsibilities that I bear in this House. And I don't want to rehash the arguments about the agreement because those were fully dealt with last year, during the whole year, and particularly during the election campaign. And the people of this province spoke very clearly and very eloquently on how they feel about the free trade agreement. They did that in the federal election and they did it in unmistakable terms. They mopped the floor, so to speak, with the Conservative candidates in 10 of the 14 seats.

As I say, I don't want to rehash the pros and cons of that agreement because, whether we like it or not, the agreement is signed and it's in effect. What I want to focus on today is, what's happening now? The fact of the signing of the agreement was just the beginning of, and locked us into, a process which is extremely important from the point of view of Canada, and extremely important from the point of view of Saskatchewan.

What's happening now under that agreement is vital to the interests of many producer groups in this province, as well as the future of us and our children and our province for generations.

The Conservative government in Ottawa, with the full support of members opposite, got us into this agreement, and that agreement contains within it a lot of problems as we tried to enunciate to the members opposite, and as the people of this province recognized during the free trade discussions last year, including the election campaign. Everybody, perhaps with the exception of members opposite, sees the dangers and recognizes that you can't just turn your back on the subject now and say, well, that's all done; I don't have to worry about trade any more; that's all in place and I can now turn my attention to other issues.

Fact is, there's a lot of work remaining to be done under that agreement, and depending upon how well that work is done, depending upon how well our interests are protected, something may be salvaged from it. At least we can minimize the damage that the agreement will produce. And in the rare cases when the agreement can actually return advantages to Saskatchewan, we can maximize those advantages.

Mostly though, it's a question of not being hurt, Mr. Speaker, or not being hurt any more badly than you can help. And that requires a lot of effort from both the federal government and the provincial governments, and especially the members of this government, when we come to Saskatchewan.

The question is: who is looking out for the interests of Saskatchewan? You would expect . . . and the answer would normally be that it would be the government of the day. That is the government that should be looking out for the interests of Saskatchewan. And there are a lot of interests in Saskatchewan which I will demonstrate which need careful, careful attention, and a lot of help, and a lot of vigorous action on the part of this government. And we on this side of the House, and the people of Saskatchewan, look at the way in which this government is responding in the aftermath of the signing of the free trade agreement, and we don't see any such vigorous action by this government. We don't see any steps being taken or any statements being made or any public debate to try and ensure that our interests are protected.

We see, on the other hand, a government that seems to be prepared to just let the chips fall where they may. They seem to be saying, there is the free trade agreement; it's all signed, sealed, and delivered, and whatever happens after that is just going to happen. There's a market out there. That market is always speaking, and that market will determine what events will be, and we'll just simply go along with whatever happens.

I think the situation in the brewing industry is an example of a situation where the government just simply is prepared to accept events, just accept events. You want American beer . . . the Americans want to import beer into Saskatchewan. Well, okay, bring in your American beer. You want to close down our breweries here. Okay, go ahead; close down our breweries. You want to bring in beer from other provinces. Go ahead; bring in beer from other provinces. You want to change to cans from bottles. Well go ahead and change from cans to bottles.

We can't do anything about that, says the government. We just sort of go along and ride the surf-board, ride the surf-board with no control over the waves and no control over the ocean, but simply go along with whatever happens.

And that, Mr. Speaker, is wrong. If we do that in Saskatchewan, if we continue with this attitude of silent surrender, this attitude of: there's nothing we can do about it; the forces are too great for us to contend with, too great for us to cope with, then we're in for a lot of trouble under this free trade agreement, a lot of trouble.

Now let me just refer to parts of the free trade agreement where things are happening and where we in Saskatchewan must be involved.

The first are the working groups that are to be established pursuant to the chapter on agriculture, and that was chapter 7 of the free trade agreement. And under that chapter, Canada and the United States agreed to establish eight working groups. And they were concerned with the

following, Mr. Speaker: animal health; plant health; seeds and fertilizers; meat and poultry inspection; dairy, fruit, vegetable and egg inspection; veterinary drugs and feeds; food, beverage and colour additives; pesticides; and packaging and labelling.

And there are therefore eight working groups that are going to be constituted under this agreement, and the mandate of these working groups will be to address the question of technical, regulatory requirements and inspection procedures, these standards, the standards that apply to agricultural products. And the object is, Mr. Speaker, to harmonize, to harmonize the technical, regulatory requirements and procedures for the two countries. And harmonize doesn't just mean to sort of bring them more or less in line with each other; harmonize is defined specifically by the free trade agreement as making identical.

(1500)

Now we in Canada have been very successful in a wide range of agricultural products. We've been very successful in exporting those products to the other countries of the world. One of the reasons why we've been so successful, Mr. Speaker, is that we have established and maintained the highest standards for those products in the world. We're producing in this country and exporting to the consumers of this world, agricultural products of the very highest order. And the consumer nations know that, and they're glad to purchase from Canada because they know when they do they have that guarantee of quality that goes with those legislated standards and those legislated requirements.

The United States does not enjoy that position, Mr. Speaker. Almost entirely across the board on agricultural products, the American standards are lower, they are less stringent. And the countries of the world know that. The countries of the world know that as between American products and Canadian products, the Canadian products are a better buy in the long haul because the standards are higher and the requirements are higher.

Now if we're going to harmonize these two sets of standards — I've made this argument before in this House — who's going to move towards whom? That's been the danger with the harmonization provisions from my point of view, because it seemed to me that a nation one-tenth the size of the other contracting party is going to be under a lot of pressure to move its standards in the direction of the larger party. It's hard to imagine the whole American agricultural industry tossing out its standards and adopting the Canadian standards. So they're going to be working on us to bring our standards down to theirs. And those working groups are the groups that are concerned with that question.

Now that was a long-winded explanation to make this point, Mr. Speaker, this point. Those working groups are vital to the future of the agricultural industry in this province, and those working groups are being set up now. And, Mr. Speaker, so far as I am aware, Saskatchewan is not being represented on any of those working groups.

Furthermore, I believe it to be the case that Saskatchewan

isn't even being consulted about negotiating positions for the Canadian members of those working groups. So far as I am aware, the producer groups in this province are not being asked for their position on the positions to be taken by our representatives on these working groups.

So the situation, Mr. Speaker, is that somewhere in Ottawa — somewhere in Ottawa, someone is appointing members to these working groups who will be meeting with their American counterparts and will be negotiating the question of technical standards and regulatory requirements as it relates to agricultural matters — and all this being done without Saskatchewan, one of the prime producers, having anything to say — not being consulted, not being represented. Silent Saskatchewan, silent surrender. You guys do whatever you like, whatever the market wants, that's what we'll go along with, and in the end we'll all be happy and salute the flag and live happily ever after.

Well that's not how it works, Mr. Speaker, that's not how it works. There's a bunch of people down in the United States of America who are preparing for these negotiations, who are preparing their positions, who are consulting on a very broad basis, and who are going to go into those negotiations with very concrete, very difficult positions. And they're going to be pressing us for everything that we can get. And I for one am not happy to send three or four bureaucrats from Ottawa into a room with a bunch of well prepared people like that and hope that they're going to come out with anything that we in Saskatchewan can live with. I'm not confident at all.

Now fortunately, or I hope fortunately, there are people around the country who recognize this. I'm looking now, Mr. Speaker, at a clipping from the *Globe and Mail* for December 12, 1988, and quoted in this article is Robert Thompson, who is the president of the Canadian Sugar Institute and the member of the team advising Ottawa on trade matters, and Mr. Thompson said:

We could lose everything we have gained unless we get down to some hard bargaining.

And when he said that he is talking about phase two of the negotiations, the matter of the downstream negotiations.

Farlis Shammas of the Society of the Plastics Industry of Canada put it this way:

We are concerned because the U.S. is gearing up its trade negotiating team, while in Ottawa, they are gearing down.

Mr. Shammas said, and further said:

The U.S. Department of Commerce sees this as the big part of the negotiations, while we have lost some of our top negotiators.

And the article goes on to observe that Simon Reisman and Gordon Ritchie and several other key officials have moved on to other jobs, leaving junior negotiators to handle these free trade questions, and I and my party are not satisfied with that, and we urge this government to take immediate steps to ensure that Saskatchewan's voice

will be heard, and will be vigorously heard, in connection with the negotiation of these questions under chapter 7 of the free trade agreement.

Further, quoting the article, the article says, and I quote:

... industry officials say these are the details that could make or break the Canadian economy under free trade.

Even though members opposite may not listen to the trade critic of the New Democratic Party, at least you could listen to the voices of industry who are blowing the same whistle, sounding the same alarm as we're trying to raise in this House.

There's a second area of negotiations where we have at least as much at stake as we have under chapter 7, and that is the negotiations that are to take place over the next five to seven years on the subject of subsidies. Now members will remember the background for the enactment of article 1907, which deals with the question of further negotiations on subsidies. But I just want to review that in case anyone missed it while the free trade agreement was being negotiated.

We went into these negotiations in the first place with the clear objective in mind that we were going to deal with the problem of countervailing duties. We were just tired, and we were more than a bit frightened by the way in which the Americans were using their power to levy countervailing duties against exports from Canada to the United States. And that was a big part of the impetus that led us to decide, that led our government, our federal government, to decide to go into the free trade negotiations.

And our Prime Minister is on record again and again as saying that Canada needs an exemption from the American trade laws; that this is a bottom-line position, and without an exemption we're not going to have an agreement. Well everybody knows we didn't get an exemption.

But not only didn't we get an exemption, we didn't even get an improvement in the American trade laws. And at the end of the day when the free trade agreement was all put to bed and signed, what we got was not an exemption, not an improvement, but a bland statement that the American trade laws continue to apply; the trade laws of both countries continue to apply. In other words, abject and total failure to realize our prime objective in going into those negotiations in the first place. And what we settled for in the end was article 1907.

And article 1907 is the establishment of a working group. And the mandate of that working group, Mr. Speaker, is in the previous article, article 1906, which talks about the development of a substitute system of rules in both countries for anti-dumping and countervailing duties as applied to their bilateral trade. So that was the end result. We agreed to continue talking, to continue talking about subsidies, and to talk about them over five years. And if we couldn't do it in five years, then we would get an extension of two years automatically. So we have seven years in which to negotiate this important question. And

what's going to be negotiated, Mr. Speaker, is what subsidies will be allowed and what subsidies will not be allowed.

Now we in Canada, with this country of ours, this great huge country — small population, vast distances, small centres of population of which Regina is one, Saskatoon another, and smaller centres in Saskatchewan, widely spaced, huge transportation costs, difficulties in climate, and all of the other things that you're aware of — we have had to, from the very beginning, establish a system of subsidies in order to help ourselves produce, develop, and make a living in this country. And this web of subsidies that is so much a part of the national character of this country is brought into question by this free trade agreement.

We were not able to get anywhere on the subject during negotiations. That's obvious. We couldn't make the Americans budge one inch, so we finally concluded an agreement which said, with respect to subsidies, we'll just continue to talk about this for the next seven years.

In the meantime, we've dealt away all of our bargaining chips. We have given the Americans exactly what they wanted on energy; we've given them exactly what they wanted on foreign investment in the buy-up of Canadian businesses by American entrepreneurs; we've given them precisely what they wanted with respect to their rights in the service industries. We gave them provisions with respect to the service industry that every developed country in the world had rejected — every developed country in the world, and some that aren't so developed.

They took that package to Israel and said to Israel, will you accept these service provisions, and Israel said, no way. They took it to Mexico and said, will you enter into an agreement with us with respect to free trade and services, and Mexico said, no. And there are very cogent, valid reasons why any country in the world would say no to absurd provisions such as appears in the service chapter — except Canada. Canada said, sure, no problem, no problem.

Anyway, my point is simply this, Mr. Speaker. We gave the Americans practically everything that they asked for, and we gave it to them to get an agreement which for us presents precious little if any advantage, and a lot of disadvantages, and we leave ourselves for the next seven years having to negotiate the vital question of subsidies without any bargaining chips left to play.

We don't have anything more to offer the Americans. We've already given them everything they asked for, and we have nothing more to give them. And so, when we go to them and say, look, we've got problems developing industries in some of the less populated provinces in Canada, we have trouble establishing industries in Prince Edward Island, and we have trouble establishing industries in Manitoba and Saskatchewan, so we have to pay a . . . we want to be able to pay grants and pay incentives to those industries to locate out there — that's a familiar subject, isn't it, Mr. Speaker? That's something that we've been calling regional development grants or regional development incentives of one kind or another, and they've been in existence for Canada for as long as I

can remember.

Well those subsidies will be called directly into question under this article 1906. That's what article 1906 is about — what subsidies will be allowed and what won't be allowed. So all of which is to say Canada is establishing, with the United States, a working group to develop more effective rules and disciplines concerning the use of government subsidies. Vital question.

But do we in Saskatchewan get consulted about that subject? Do we get representation on a working group? And we are, for the most part, Mr. Speaker, for the most part of our history, a disadvantaged province. Subsidies like this are extremely important to us.

But we're not represented on that working group. We're not being consulted about the composition of that group. So far as I or anybody else outside government is aware, Saskatchewan isn't even being consulted about what position should be taken. In fact, according to the article that I just referred you to in the *Globe and Mail*, Mr. Speaker, Canada's not even gearing up for these negotiations. The Americans are busy down there, working and preparing and developing their positions and their arguments and consulting with their industry and their producer groups, and Canada's not even gearing up for it.

Well this, Mr. Speaker, is not acceptable to any person who thinks about it at all. This is something that we just have to get off our butts about and get with. These are important questions that will not only be important this year and next year, but will continue to be important for this country for ever. This agreement is going to be in place for a very long time — I suspect, a very, very long time. Bad as it is, it's almost impossible to get out of.

(1515)

So the agreements we make with respect to subsidies under this working group are agreements that we're going to have to live with for ever, so we better get it right. And in order to get it right we better get working on it. And in order to get working on it we better have structured a working group that fairly represents the vital interests of this country and that will fairly represent the vital interests of this province, and make sure that those representatives are at least as well prepared as their American counterparts, and will go in there and make the best possible deal they can.

I'm worried, Mr. Speaker, as I say, because our people have no bargaining chips left as far as I'm aware. So I don't know what they've got to trade with. But if they don't come back to us with a good deal with respect to the question of subsidies, then this agreement is really going to hurt, and it's going to hurt Saskatchewan as much as it hurts any part of this country.

Now during the free trade debate, during the long arguments that took place about that agreement throughout the whole of last year and especially during the election campaign, there was a great deal said about how the free trade agreement would impact upon the social programs of this country. And my party made the

point, and made it over and over again, that this agreement constituted a threat to our social programs. And there are many social programs offered in this country, not the least of which is our medical care plan, our hospital insurance, and on and on, Mr. Speaker. And we tried to make the point that this free trade agreement constituted a threat to those social programs.

Now we all heard the negative advertising that came from the federal Progressive Conservative Party when those accusations were made. They called people who said those sort of things, liars. They suggested that anybody who would say that social programs were threatened under this agreement, lied. Well that's just not so, Mr. Speaker. We now know for certain that that is not so.

The Canadian Manufacturers Association, for one, has made that perfectly plain. The president of the Canadian Manufacturers Association is a man by the name of Laurent Thibault. And Laurent Thibault was quoted by our federal leader, Mr. Broadbent, during the election campaign as having warned that Canadian social programs would have to be cut to match U.S. social programs. And Mr. Thibault came back and said, that's not fair; I said that eight years ago; you shouldn't be using something I said eight years ago against me now as far as this free trade agreement is concerned.

Well here we are just after the ink on the free trade agreement is dry, or barely dry, we have Mr. Thibault, presenting on behalf of the Canadian Manufacturers Association, a brief to Michael Wilson, the federal Finance minister. And Mr. Thibault says in his brief the following. He says:

Because 60 per cent of program spending is tied up in statutory programs, with most of this on social programs, this is the spending area that must be reduced.

Now that's what Mr. Thibault said — not eight years ago, not in 1981, but now, in 1989. That's what he says to the federal government, and that's precisely what we were trying to warn the people of Canada about. Put this free trade agreement into effect and you'll have industry just hammering at your door; hammering at your door, insisting that they've got to play on a level playing field; hammering at your door, saying, we in Saskatchewan or we in Canada can't afford the cost of these high social programs because our competitor in the United States doesn't have to pay those kind of costs. So you have to make us competitive by reducing our costs here, and that has to put pressure on our social programs. And Mr. Thibault has confirmed that that's exactly what it does; that that's exactly what it does.

I raise that point now because this government as well as all governments in Canada are going to be subject to that same kind of pressure. And when these groups come to you asking that their costs be cut, that their costs be cut, they will have a copy of this free trade agreement in their hand. And if you're loyal to your statements during the federal election campaign — that is, if the federal government is loyal, and if the members opposite agree with the position taken by the federal Conservative Party, they will say to those industry groups: get out of here;

don't talk to us about reducing the costs of social programs as a result of this free trade agreement; don't talk to us about decreasing those costs so we can compete with the United States. You said you wouldn't. We said you wouldn't. Now don't do it.

We on this side of the House are not naive on these questions. We know that this position of the Canadian Manufacturers' Association is not a unique position taken by one organization. It's a position taken by a lot of large business organizations in this country, and we know that those large business organizations have a lot of clout with the Conservative Party in Ottawa, as it has with the Conservative Party in Saskatchewan. And we watch in fear as those meetings take place for what it may mean to the people of this province and the people of this country and the effect that it will almost inevitably have upon our social programs. But we'll be watching, Mr. Speaker.

You know, as far as I am aware, this government has assigned no one the responsibility of keeping track of what's happening as a result of that agreement. As far as I am aware, there is no one on the government side who is monitoring what is taking place. And because of that, the Leader of the Opposition has set up the free trade monitoring committee, Mr. Speaker — a free trade monitoring committee — which reports to him and to me on behalf of the caucus on this side of the House on these developments.

And we will continue to watch, and we will continue to encourage this committee to continue to work to keep track of just what's happening in this province and how the people of this province are being impacted by this agreement. We'll continue to raise the warning flags; we'll continue to bring to the attention of the government and the public what's happening and what has to change.

Not only are social programs threatened, Mr. Speaker, but we all know now, even members opposite must know, the threat that this agreement poses to our marketing boards. We've seen countless statements coming up from the United States complaining about the Canadian Wheat Board and complaining about other marketing agencies in the climate of the free trade agreement, in the context of the free trade agreement. And those complaints won't go away.

And the Americans are going to be coming at us under the subsidies question, and every other way they can, for us to dismantle these programs. And, Mr. Speaker, we are not reassured by what we have seen today. We don't see the members opposite or their counterparts in Ottawa standing up firmly for the marketing boards of this country.

What we see is exactly to the contrary. We see the federal wheat board minister taking oats away from the Canadian Wheat Board. And that's alarming, not only to us but to all the farmers in western Canada. Everybody cares a lot. And the votes that have been taken, that all members in this House know about, clearly demonstrate that farmers do not want the Canadian Wheat Board weakened. And the federal government and our friends opposite are going to have to take that into account and go to bat for the farmers of this province, or else they're going to be

answering for it, and answering for it in spades.

There's a lot of things happened with respect to the industry in this country as a result of the agreement. I've got a long list of them here which I'm going to be referring to in a subsequent speech on a subsequent subject. But Gillette closes its plants in Canada at a cost of 590 jobs; Pittsburgh Paint and Glass closed its plant in Ontario at a loss of 139 jobs; and Agnew group closes a footwear plant in Quebec with 50 jobs; and Northern Telecom closes two plants in Canada, phasing out 875 jobs while it is going to expand its plant in North Carolina. And on and on it goes, Mr. Speaker. These things are happening.

And the federal government sets up a committee on adjustment to consider that and to consider what's going to be done to help these workers who are displaced as a direct result of this free trade agreement. And the committee comes back to the federal government and says nothing, and the federal government is pleased to receive the report. The press reports describe them as happy and smiling broadly.

Well we're not smiling, Mr. Speaker, and the workers of this country are not smiling, and the people of this country are not smiling, because the whole thrust of the federal government's statements on these subjects during the election campaign, and before the election campaign, was that these people who were displaced as a result of the free trade agreement were going to be taken care of, and that this adjustment committee would be reporting to the government on just how they should be helped.

And this committee now comes back and says to the government, you don't have to do anything; you don't have to do a thing; the situation doesn't require anything further. Now that is shocking and dismaying. Instead we find this committee moving entirely outside its mandate and saying things like: with respect to the sale of domestic wheat no longer controlled by the wheat board, that price should be set on the basis of the opening prices on the grain exchange in Minneapolis or Chicago or some place like that. That's what de Grandpré and this commission concerned itself with.

And that domestic price program deserves a mention before I sit down, Mr. Speaker, and it is simply this, that we have maintained for some time in this country a two-price system where we said that no matter what the international price was, the domestic price for our wheat — and other, but our wheat is what I want to talk about — is going to be at a higher level. Canadian millers are going to have to pay a higher price for the wheat that they use in their flour mills.

And that price returned a large amount . . . an extra amount of money to the producers of this country. It was \$280 million during the last full year in which the plant was in operation . . . (inaudible interjection) . . . My friend across the way says Ontario, and I want to mention that. Ontario did get a benefit from that, and that benefit was increasing. And during that last full year, that benefit was 15 per cent. It was approximately 15 per cent. The benefit to western Canada was 85 per cent.

And I mention that again because the Premier, when he was answering the question the other day, implied that 65 per cent of the benefit had gone to Ontario, and that's not correct. And I would urge the member opposite to just look up that number and satisfy himself that I am correct when I say that 85 per cent of that benefit came to western Canada, and that benefit was \$280 million.

And the answer we got at the time was, well we'll take care of that in the adjustments; we'll take care of that after the free trade agreement is in effect by providing for an adjustment period. And indeed, the first year . . . or there was a provision made for that \$280 million, as I understand things. But now, according to the de Grandpré report on adjustments, there is to be no such payment being made.

And we raised that question. We asked the Premier of this province whether that payment would continue year after year, and he ducked the question — he ducked the question. But now it's perfectly clear what the answer was, and he may well have known it at the time that that payment would not be continued, that that benefit of \$280 million which disappears under the free trade agreement is gone, and it's gone for ever. And the farmers of this country and this province are that much poorer as a result, and that is inexcusable, a betrayal indeed. That is totally inexcusable.

And so I want to conclude with this question, Mr. Speaker, that I've asked before and that I want to repeat: who is it who is standing up for Saskatchewan? Who is standing up for the producers of this province?

In agriculture and in industry, who is going to make sure that this free trade agreement, as it is being implemented, is going to come out in a way that will be favourable to Saskatchewan producers? Who's doing that? It is certainly not the members opposite. They've just turned their back on the agreement and said, well that's done now; that's done, we don't have to worry about that any more, and they'll just take whatever comes down the pike. Well that's not good enough.

There are vital interests here that have to be protected and advanced and advocated. If we're going to salvage anything from the wreckage of this agreement, it is only going to be because of our vigilance, because of our efforts, because of our strength, and because we take this seriously as an obligation to protect these people in this generation and for generations afterwards.

(1530)

We find instead that the government is not represented on these working groups. They're not even consulted about the representation on these working groups, and as far as I can tell they are taking no interest in the work of these groups. We find at the same time, report after report of standards being modified, standards being adjusted, inspections being reduced, inspections being changed — all kinds of things happening to our regulatory system and not a word from this government, and not a word from the Canadian government.

We have the feeling, Mr. Speaker, that in the political environment of this country, it is our party, and our party alone, who is standing up for the interests of the people of this country, and in this province for the interests of the people of Saskatchewan so far as this agreement is concerned.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Thank you, Mr. Speaker. It is with great pleasure that I once again rise to speak in this House, and I join with my members in endorsing this great budget.

As an MLA for Arm River I have now, Mr. Speaker, been here . . . This is my 11th budget, my 11th year as representing Arm River as their MLA. I have debated in four budgets when I was in opposition, Mr. Speaker. And, Mr. Speaker, this budget is one of the best budgets and the most well put together budget I've ever seen.

And I know the members across agree with me because, Mr. Speaker, I have noticed and watched very carefully these last few days that the members opposite say very little about the budget. They talk about everything else except the budget, Mr. Speaker, so that means that they're frightened to hit it face on.

The member just opposite just spoke just now talked about almost everything except the budget. He got on about almost every topic except what I heard in the budget. But I assure you, Mr. Speaker, that I will be talking mostly about the budget.

As the member for Arm River, I wish to commend the Premier and the Minister of Finance for bringing this budget down. As one who has faith and confidence in the future of Saskatchewan, I am convinced that the '89 budget put into place fiscal and economic policy that will enhance the very future of Saskatchewan as we head into the 1990s and beyond.

This is a free enterprise budget, Mr. Speaker, a budget that says we can build Saskatchewan through economic diversification, investment, small business, farming, and community co-operation. Over 10 years ago I entered public life on being elected an MLA for Arm River. At that time I did so because of my personal belief that Saskatchewan was not living up to its potential under the NDP.

The pioneer families that homesteaded Saskatchewan in years gone by came here with a vision to build a great province on the Prairies. In the earlier years, Mr. Speaker, Saskatchewan thrived because of our pioneers, because our pioneers were builders.

Then in 1944, Mr. Speaker, Saskatchewan elected the first socialist government in North America. A great deal of that socialist victory in 1984 was because of the personal popularity of Tommy Douglas.

Now, Mr. Speaker, right from day one, the total objective of the CCF was socialism. They wanted to turn Saskatchewan into a model socialist state. As a result,

they set up a whole lot of government-owned companies. Let me give you some examples, Mr. Speaker: a shoe factory, a tannery, a wooden mill, a paint-spraying company, a box factory, a brick plant, a fish filleting operation. And all of these government-owned, government-operated companies, they all had one common fate.

First of all, which is very important, Mr. Speaker, first of all, none of them made any profit. Secondly, all of them cost the taxpayers of Saskatchewan hundreds and hundreds of thousands of dollars. And finally, Mr. Speaker, they all went under and no longer exist.

All of this that I've just said can be found in Robert Tyre's book, *Douglas in Saskatchewan*. The members opposite wouldn't even want me to . . . don't want to hear the word, *Douglas in Saskatchewan*. That was a legacy of the first socialist government in North America — state-run companies that did not work and cost the taxpayers a lot of money.

Mr. Speaker, all of this relates to the budget currently before the legislature, because I wish to draw a comparison between the economic policy of the current PC government and the economic failures of the socialist NDP. As far back as the 1940s, the socialist thinkers wanted state-owned operations in Saskatchewan. And even when they failed, they set up new ones to take their place.

Then on the night of May 20, 1957 at Mossbank, Saskatchewan, at Mossbank, Saskatchewan, Tommy Douglas had a public debate with Ross Thatcher. It was one of the most historic debates in Canadian political history.

Mr. Speaker, at that great debate in Mossbank on the subject of Crown corporations, Ross Thatcher clearly defeated Tommy Douglas, and that was the end, Mr. Speaker, of Tommy Douglas as an MLA and of premier in this province. He would not, Mr. Speaker, after he was defeated by Ross Thatcher on debating what Saskatchewan people wanted, and they didn't want the eight Crown corporations that he put together, he didn't even run again, Mr. Speaker, as an MLA or a premier. He stepped down, and the only premier that I've ever known to have the position of premier was Woodrow Lloyd, and he accepted and then was defeated in 1964.

The people heard Ross Thatcher very clearly, Mr. Speaker, when he spoke about the Crown corporations. Exactly the same as what's happening today. The people are listening to our government talking about their Crown corporations, their family of Crown corporations that was put together so they had state ownership and control. Mr. Speaker, this day has come to an end.

In that debate, Mr. Speaker, Ross Thatcher pointed out that from day one in 1944 the socialists wanted to drive private enterprise out of the province. Mr. Speaker, that's exactly what they want to do today. They still want to own and control. They never forget, Mr. Speaker, about their manifesto, their *Regina Manifesto* in 1935. They'll never get away from that; they'll never learn.

The CCF (Co-operative Commonwealth Federation) figured that through Crown corporations and government-owned business they could raise the revenue to develop the provincial economy. That was their philosophy, Mr. Speaker, but it didn't work.

From 1944 to 1957 they set up over 19 Crown corporations with over \$175 million in public money invested.

The members opposite are a little worried that I'm not talking about the budget. If privatization is not in this budget and Crown corporations isn't a debate, I don't know what is, Mr. Speaker. They are afraid to debate this — stand up and debate this on a proper manner. They just come in the back door and talk. So they can heckle me all they want and be noisy, as they have been for the whole year, Mr. Speaker.

I have been in the legislature, Mr. Speaker, I've been here for 11 years and I'm a person that does not heckle from my seat. I have never done it, and I don't intend to do it, so I ask respect from the members opposite to let me read my speech and say what I have to say . . .

An Hon. Member: — You're not supposed to read it.

Mr. Muirhead: — You bet I'm going to read my speech, because I've got some very important . . .

The Speaker: — Order, order. Order.

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

These corporations did not operate efficiently. They cost the taxpayers money and the net result was failure. The only Crowns that were of a benefit to the Saskatchewan people were the service utilities like the power corporation and SaskTel.

The result of the Mossbank debate was that Saskatchewan people came to realize that state control, state ownership, was not the way to build the Saskatchewan economy. After having been . . .

An Hon. Member: — You said you were going to talk about the budget.

Mr. Muirhead: — Mr. Speaker, I shouldn't let them bother me, because it doesn't, but it just makes me feel . . . it makes me feel good when they heckle over there, because I watch many people speak, and when I come to speak it seems to bother them, so that really makes me feel good. I must be hitting the heart and soul of what they don't want to hear.

After having been defeated . . . after the NDP and the CCF were defeated in 1964, the NDP did not learn from the Mossbank debate, nor from the defeat at the polls. From 1971 to 1982, the NDP built the family of Crown corporations — state ownership of farms. The family of Crown corporations was the modern day socialist answer to the failed ventures of the past, like the box factory and the shoe factory and the other doomed ventures.

Mr. Speaker, in the final months of the Allan Blakeney

NDP government, the cabinet approved a plan to change the whole direction of Crown corporations in Saskatchewan.

I wish to draw the attention of this Assembly to the minutes of the Crown investments corporation meeting of January, 1982. This has been mentioned before in this House, but I'm going to — every time I get a chance, I'm going to remind whoever's listening, the members, the television audience, that these people are hypocrites, Mr. Speaker. They were going to do in 1982 as what we are doing today, and they stand up and go against it. And, Mr. Speaker, they will suffer for this here hypocritical turnaround.

The NDP was in power. Members like the member for Saskatoon Riversdale, the Leader of the Opposition, the member for Regina Elphinstone, the member for Regina North East, the member for Saskatoon South — they were all cabinet ministers in the NDP government at that time. So they had their plan. Many of them are back here today, and against what we were doing, what they wanted to do then. The NDP secretly drew up a plan to allow Saskatchewan people to participate in the ownership of the Crowns. The cabinet of Premier Allan Blakeney approved it.

Now today, some seven years later, the NDP has done an about face and they oppose the public participation programs of this government. In the NDP plan, they had put together a program as a means of selling Crown corporation shares to individuals and private companies. Now members like the member for Regina Rosemont and other NDP opposition MLAs speak loudly against such measures.

I wish to point out, Mr. Speaker, that public participation is something that is happening around the world. Socialist governments in New Zealand, Australia, Sweden, and France are all working hard to loosen government control. All of these governments have public participation.

I have told constituents in Arm River, and I will repeat it in this legislature, the Progressive Conservative government is not against Crown corporations. What we are against is state control and ownership. Utility corporations that serve the public are vital to our province . . . (inaudible interjection) . . . The member from Regina Elphinstone is thinking we're privatizing SaskPower.

An Hon. Member: — You are.

Mr. Muirhead: — The member from Elphinstone doesn't even know what he's talking about, because if he can tell me and show me and show the public that we're privatizing SaskPower, forget it. He's in dream land.

The history books will show that it was a Conservative government that set up the first Crown corporation utility in Canadian history when Ontario Hydro was established. They think that only them like Crown corporations. We like Crown corporations if they're in their proper perspective and are of a value to the people of the province. Not state ownership. It was a national . . .

The Speaker: — Order. Order. Order. Order. Order.

Mr. Muirhead: — Thank you, Mr. Speaker. It was a national Conservative government that first established the Canadian Wheat Board. Now I've sit here, Mr. Speaker, and I've watched very carefully question period here this last . . . since we brought the House in, and they stand up here, the Leader of the Opposition, and condemning this government that we're not listening to farmers about taking oats out of the wheat board.

Well I can tell you, Mr. Speaker, if anyone knows what farmers are thinking out there any better than the member from Arm River, just tell me who it is, because I'll challenge any one of them. I have yet — yet — to have one individual even contact me — not one. These people over here, the only members that . . . the only people in Saskatchewan, Mr. Speaker, that are contacting the NDP, the members opposite, are the socialists from Regina that doesn't know oats from wheat.

Public participation is by means by which we can build and diversify our province so that all Saskatchewan people can benefit directly. Mr. Speaker, long before the CCF (Co-operative Commonwealth Federation) or NDP ever thought of Crown corporations, it was the Conservative governments in this nation who were advancing positive economic ideas like Crown corporations as a part to build a society.

(1545)

The NDP, on the other hand, saw land bank, the uranium mines, potash mines as a way of state ownership and a control of the economy. That is not what the people of Arm River nor the people of Saskatchewan, that is not what they want. They told these people, they told exactly . . . The people spoke in 1982 and 1986, and they will once again speak in 1990, and they will tell them the same thing as we're saying today.

In 1982, and again in '86, the voters rejected you people and you know they're going to reject you again. In electing a new government in 1982, Saskatchewan voters said they wanted a change in economic conditions and that is exactly what we gave them, Mr. Speaker. That is what we gave them, and that's why they elected us again. And that is also why, Mr. Speaker, that they elected the member from Assiniboia-Gravelbourg. I spent three weeks down there working with the members opposite, watching them day by day telling their story about the medicare . . . medicare programs, about all the farm programs, but they never once heard any policy from the members opposite.

Well I can tell you, Mr. Speaker, when people like myself and my colleagues around me here went door to door and told the truth and talked about honesty and what the future of this province is going to be, they supported and brought in . . . they sent a message in all right, Mr. Speaker. They sent in the new member from Assiniboia-Gravelbourg, and he's going to make a good member, and I'm glad to have him here.

Mr. Speaker, as the Legislative Secretary for SaskTel, I wish to point out the success of SaskTel bonds. Over one

hundred million has been invested by the Saskatchewan people in TeleBonds. Public participation is working. It is creating employee ownership of previously government-owned corporations. It has meant that over 600 people and new investments has been generated into the Saskatchewan economy; nearly 3,000 new jobs, Mr. Speaker.

An Hon. Member: — Where?

Mr. Muirhead: — Naturally, they're trying to make a noise from their seats over there because they don't like me telling them the facts. And yet the NDP oppose what we're doing here. They have not learned from their failures from the 1940s. They haven't learnt. You haven't learned from your socialist thinking from the 1940s, the lessons of the Mossbank debate. You haven't learnt, the defeats of 1982, the defeats of the 1982 election and the 1986 election and the by-election. You haven't learnt, and so help me, I don't think you ever will. And we'll be here for a long, long time if you keep on the kind of thinking and the kind of actions that I hear and watch here every day.

Public participation is good for the future of Saskatchewan, and reasonable, clear-thinking voters know it. Mr. Speaker, in my remarks I have made reference to the recent by-election of Assiniboia. The Leader of the Opposition in the NDP told the voters in speeches, radio ads, newspapers ads, and their literature: send the Tories a message, send them a message. The good voters of Assiniboia-Gravelbourg did, and it's mostly — and why am I repeating this, Mr. Speaker — because it was mostly because of the medicare tactics that they tried to use there, absolute . . . false words at the door. . . . (inaudible interjection) . . . I use the words false, false statements at the door.

The Leader of the NDP, when he sent that letter out, when he sent that letter out to Assiniboia-Gravelbourg, Mr. Speaker, I never had such smooth sailing at the doors when I was campaigning in Assiniboia-Gravelbourg after that. People would show me this and they said, I can't believe that the Leader of the Opposition, who we thought we had respect in, would do such a thing as this, put absolutely falsehoods in a pamphlet, and sign it, and send it out door to door.

I can go anywhere in the constituency of Arm River, in any home, in any farmyard, in any cafe, any place I want to go, Mr. Speaker, and be proud to talk about the health care budget. So I want to say a few words about the health care in the budget. We all know the health care failures of the NDP. The fact that Justice Emmett Hall wrote a medicare report when the NDP were in office that showed them Saskatchewan health care was the third worst in Canada — the third worst, Mr. Speaker, in all Canada.

What the NDP have done, Mr. Speaker . . . I've watched it very carefully since 1978 — we almost won that election in '78 — until the medicare scare come out, that if you vote Progressive Conservative you will lose your health care. That's what I've watched, Mr. Speaker.

And then by 1982 the people found out that maybe we

better not believe these NDP and try a Progressive Conservative government, which they did. And they found out, Mr. Speaker, they found out what the problem really is. They found out that they were so busy spending money on Crown corporations and control that they were not spending money on health care . . . (inaudible interjection) . . . The member from Saskatoon South is the one that says we don't need any more. We put a moratorium on them.

I've told the people from Arm River now, since 1981, since the member said that, I've told them, and they believe me, that he's the one that put the moratorium on nursing homes, and they believe me. If he wants to go in and try to prove otherwise, I challenge him, Mr. Speaker. And then the people . . . the member for Saskatoon Riversdale, who told the national conference that he is against the new hospital construction . . . now that's quite a statement for the Leader of the Opposition to say, Mr. Speaker.

The people of Saskatchewan, Mr. Speaker, and the people in my constituency of Arm River, should also know the facts about the PC health care record so they can compare it.

Health care spending in the 1989 budget is over \$1.4 billion. Since the PC government came into office, health care spending is at its highest levels of any time in the entire history of Saskatchewan since 1905 — higher than the CCF, the Liberals, or the NDP. Health care is the number one priority of this government. With a budget of over 1.4 billion for health care, that works out to nearly \$1,400 a person in Saskatchewan, 162,000 per hour or 3.69 million per day. Under the NDP it was 84,500 per day in 1981-82, or 2 million per day. In actual fact, Mr. Speaker, that's a 91 per cent increase in health care spending by the PC government over the NDP administration.

I would like to put on the record some of the health care achievements in the riding of Arm River, Mr. Speaker. I'm very proud of some of the achievements we've had there. Since 1982 I see an addition to the Outlook Hospital — renovations and additions. There was a 12-bed addition to the nursing care facility in Outlook. There was a 12-bed nursing care facility addition to the Davidson nursing home. There was a renovation to the hospital. There was an enriched housing built in the town of Craik, and there's going to be an integrated facility, a health facility I see in the budget this year, for a \$3.2 million health facility in Craik this year.

Mr. Speaker, I'm proud to be able to help bring this to the people of Arm River. Also I see in the budget, Mr. Speaker, where Imperial is in for 1989-90, for an integrated facility. So I think the people from Arm River when talking about health care will take a look at their member, that I have done the best that I could do to bring them results, to show them that we care and want to improve health care. Facts are facts, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — One of the most important priorities of this government, Mr. Speaker, is agriculture. Let's just talk

about agriculture for a minute. We'll even get to the drought payment that the member from Elphinstone is so worried about; I'll maybe even explain to him how it might work.

An Hon. Member: — Might work is right.

Mr. Muirhead: — Well I use the word might, Mr. Speaker, because he might not understand it.

I happen to be a farmer who was raised on a farm, and I love to be with farmers. I know what it takes, Mr. Speaker, to run a farm. I know what it's all about. I know what the costs are, and farmers know that I understand, and that's why I relate well to farmers and they relate to me.

There isn't a day goes by, there isn't a day goes by, Mr. Speaker, where I do not have a farmer talking to me — not a day, including Saturday or Sunday or perhaps maybe even Christmas Day.

Arm River is the heartland of Saskatchewan, and we know agriculture is the backbone of the Saskatchewan economy.

Mr. Speaker, we know the problems caused by the drought, by the international grain wars, by economic forces beyond our control. That is why the voters of Arm River have trust and confidence in a government that knows and understands rural Saskatchewan. I am proud of our record. I am proud, Mr. Speaker, in our record in protecting farmers. As a rural PC MLA I have worked closely with our Premier, the Minister of Agriculture, in bringing about programs for farmers.

Mr. Speaker, we have been at the forefront in backing farmers and protecting farm families. Previous budgets of this PC government have protected farmers, and this budget does exactly the same. Let's just name some of them, Mr. Speaker. The livestock cash advance, interest free. They're the ones that sit here and say, what are you going to do about the escalating interest. Well they did nothing in nineteen . . . I watched them. I sat here from '78 to '82 and watched farmers go like this with 20 and 21 per cent interest. But our government didn't do it that way, Mr. Speaker. We said we would protect you against the high inflation and interest rates, and we did, Mr. Speaker.

Another one is the agriculture development fund, the agriculture development fund of \$200 million. The production loan program put \$1.2 billion out in Saskatchewan to help the economy. Business men got this money; it moves throughout this here province and helped save the whole province in the year of 1985-86. The feeder association loan guarantee, Mr. Speaker; The Farm Land Security Act to help protect farmers in trouble; the farmers oil royalty refund; special grains program; counselling assistance for farmers; rural service centre program . . . (inaudible interjection) . . . I think the farmer from Quill Lake needs some counselling, Mr. Deputy Speaker. Also The Saskatchewan Farm Security Act also protecting farmers, the 1988 drought assistance programs.

I hear many people, especially the opposition members, condemning the drought program, the federal drought

program. They stand up in the House here and they go after our Premier and said it's a broken promise. They said, Mr. Speaker, to the Premier, you as Premier of this province stood up and said that there will be \$45 an acre and all they're getting is a measly \$12 an acre and a seven, or nothing. This is what the members over there are saying.

Well I want to inform you, Mr. Deputy Speaker, that when July comes along these people that have said that are going to look very foolish, very, very foolish.

An Hon. Member: — Are you going to resign, Gerry?

Mr. Muirhead: — The member from Regina Elphinstone, maybe I should inform him, maybe a little bit of facts about the drought program. There has been no broken promises. I will take you back to the press release of November 8, 1988. I will take him back to the press release pertaining to the drought payment, that there would be \$450-some million to Saskatchewan, plus close to a billion dollars for the five provinces, but almost a half a billion dollars for Saskatchewan. They said there would be an interim payment in the hands of the farmers prior to seeding, and then the remainder would be in the 1988-89 crop year which is the 31st of July.

I think that the members opposite should kind of go to the post office and take a look at their cheques in July, plus the members can also go out and watch their farmers pick up the promised interim payment of seven and \$12 an acre for some cash input to help get their crop in.

If I was in an area, Mr. Speaker, where I would get \$7 . . . because I'm going to tell the members opposite and anybody that's interested in listening, how this program works.

There's a formula put together, how to pay out the drought program. And it's a good formula. And I will say that every organization, including the farmers' union, the Sask Wheat Pool, the stock growers, the flax growers, and other groups . . . even political parties were involved in this. And when this here formula was adopted, every last one of them, including the Liberals, the NDP, the Reform Party, said it's a good formula, Mr. Deputy Speaker, and we like it, but it's not enough money. Of course that's what they had to say.

(1600)

But there's no broken promise, because how the formula works, Mr. Deputy Speaker, I'll just take a moment and say very clearly so the listeners, the farming people out there that want to know, because I'll tell them the facts, that what the formula is, Mr. Deputy Speaker, is you take the crop insurance figures for the last 15 years and that's your average. The average in this province is J land, pertaining to crop insurance, which is 25.6 bushels to the acre. You take 15 per cent of that figure, Mr. Deputy Speaker, and you times it by \$4.35 a bushel, which gives the average land in this province of Saskatchewan, of which is J land, 92 to \$97 per acre. Now between the 92 and the \$97 an acre is what each farmer is going to receive, including what crop he harvested, what crop insurance he received, and the balance of the payment.

Now it's such a simple formula, Mr. Deputy Speaker, if they couldn't figure it out . . . you see, as soon as I got into stating the facts about the formula, I see that the farmer from Elphinstone, I don't see him over there listening, but he must be here, because I couldn't say that he had left the House, because he must be there hiding some place.

In July, Mr. Deputy Speaker, in July, when this money comes to the farmers, the remaining between the interim payment, there's going to be a lot of faces over there that are not going to be smiling too much. And one of them is going to be the NDP member from . . . the MP from my constituency of Moose Jaw, that has been writing articles in the paper saying, that's a broken promise; this is all you're going to get, and that they are absolutely . . . let you down.

Well I can tell you that I will stand here and I will defend, defend this here program, and that farmers will wonder what happened to this Mr. Laporte's great statement when along comes July.

I'd just like to add a little bit more about the present budget. Mr. Speaker, in this budget, one of the greatest pieces of legislation to protect farmers is in this budget. There is none other that I know of in any province or state in North America — some federals might be putting this together — but not any province or state. When this . . . and I can read this, Mr. Speaker, to remind them what was in the budget:

The mandate expansion is designed . . . (this is agricultural credit corporation's mandate to expand its lending) The mandate expansion is designed to have loan programs available from ACS to meet the needs of farmers that are not being serviced by their other lenders.

Three, three points that I want to put on the record:

Provide financing for the purchase of a home quarter.

So that people in this province of Saskatchewan can live in dignity and live in their home, and not be like they were under the NDP back in the 20 per cent interest years where they were facing to lose their homes, and that's why they're in that position today, Mr. Deputy Speaker. We are protecting the people so they can protect their home quarters. And also:

The financing, the purchase, construction, and renovation of the buildings and improvements on these home quarters.

To improve their hog farms or their chicken houses or whatever the need to get it producing again.

Number three, this is the most important one that was in the budget, but they didn't want to talk about this. I never once, Mr. Deputy Speaker, heard this sentence that I am going to give now, one word for it or against it, because they didn't dare want to talk about it because it's never happened before. We are doing . . . This government is going to do what they can to keep the farmers on the land,

and here it is:

Provide loans for farmers to finance debt settlement or agreements with their lenders.

Now they don't want to talk about that. When this here Bill comes to the House, we'll just see if they'll try to hold it up. Or will they just not talk about it like now and let it go through in three days? No. They'll sit and grandstand and keep the farmers on edge for weeks and weeks. I can just see it, Mr. Deputy Speaker.

An Hon. Member: — Oh, sit down.

Mr. Muirhead: — Mr. Speaker, I don't know . . . somebody said I should sit down, but I'm not through. Do I have to sit down, Mr. Deputy Speaker? My colleagues, Mr. Deputy Speaker, said I should hang in there till I'm finished because they said I'm doing a good job. So at least I'm glad that my colleagues don't agree with the members opposite.

Mr. Deputy Speaker, our Premier who says no institution is more important than the family — all of my life I've believed that God and the family are important to my life, and I believe in a Premier that says that God and the family is important to life. This government has put family values into protecting families. Health spending, more funds for education, the protection for our environment, support for agriculture and farm families — in all of these budget measures we see a strong belief in helping Saskatchewan families.

You know, Mr. Speaker, in less than 12 years we'll be into a new century. That is why it is very important that Saskatchewan be on solid economic footing as we head into the new era. Growth and building take economic leadership. The leadership of our Premier and the PC government to build a first-class economy, to create new jobs, to create new investment, it is all a part of building for the future, just as our pioneers did in the years gone by that I've talked about earlier.

Mr. Speaker, one more thing I want to touch upon. The members opposite, they've been asking questions to our Minister of Environment, the member from Rosetown. They're trying to say that he's hiding something and not being honest. Well, I'd like to remind the members opposite about what hiding is all about. Hiding is when they had a PCB (polychlorinated biphenyl) spill at Pioneer Electric in 1976 and the whole mess could have been hauled to New York and burned for \$250,000, but instead they didn't want to let anybody know. They put pavement over it, covered it up, and left it there until it cost the taxpayers of this province utterly millions and multimillions of dollars.

Now I'm going to remind the people every time they get up and go after our good, honest member from Rosetown, who has integrity . . . I see last night in the news, Mr. Deputy Speaker, that the Minister of Environment had said that there's a problem out there, and he's told the public — he didn't hide it, Mr. Deputy Speaker — and is going to do something about it. They didn't do like the members opposite who had hid it under the ground, put pavement over it. And that is why the member for Moose

Jaw, Mr. Snyder, is never going to get back into this House.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — And also I noticed that they've been very quiet when I talk about PCBs. Their heads go down. But they seem to forget, when they jump on our Minister of Environment, that he's maybe doing something wrong. I never seen Mr. Bowerman when he was in here, even close . . . you couldn't even have a closeness of integrity to that man. He stood here and misrepresented this here whole province on the PCB spill of 1976. And I know all about the PCBs because I was the critic for Environment in those days, and if they want to debate me on PCBs and hiding behind pavement holes, I will debate them at any time.

Mr. Deputy Speaker, it's been a pleasure for me to express my views in this House, and it is a pleasure for me to support this budget. And I thank you for the time to speak, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Thank you very much, Mr. Deputy Speaker. And I notice the mouth from Weyburn is in here again. The Speaker drove him out before, but his mouth is still going. Nothing much coming out that's worth anything, but we can tolerate that.

But I want to speak to the people of Saskatchewan, and I want to speak in respect to the lack of integrity of this government. The people of Saskatchewan, as I go around, are now saying they had great hope when the Premier and the Tory Party formed the government. There was some hope. But at the present time the people of Saskatchewan are saying this: they're saying they have gone too far. They're saying that, you know what?, if they're allowed another term of office, there'll be nothing left in this province. That's what the people of Saskatchewan are saying.

The people of Saskatchewan are saying, they just cannot manage the affairs of this province. The people of Saskatchewan are saying, we cannot believe what they say. We cannot trust the Premier, what he says.

I want to say that the people are right. They can't trust this Premier, what he says, nor can they trust what the cabinet is doing. This is a Premier who indicated to the people of Saskatchewan that he could in fact manage this economy. Yes, he said, you know, things are so good in Saskatchewan, he said, that you could afford to mismanage and still break even.

Well let's take a look at this great business man, those business men on the other side that were going to bring their business operation to the Government of Saskatchewan. And let's take a look at where they've led this province.

Today the debt in the Consolidated Fund is over \$3.8 billion. The total debt in this province is exceeding \$12 billion. Do you realize that if you take a look at the province's net debt, that is, the assets of this province, Mr.

Deputy Speaker, take all the total assets of this province when the New Democratic Party was in office, the assets — take away all the liabilities, and we were \$1 billion to the good. Less than eight years under this administration, and you know what has happened? The total assets, take away the liabilities, and we're over \$3 billion in the hole. That's their book; \$3 billion from a plus \$1 billion to the good.

I tell you, Mr. Speaker, the people of Saskatchewan are aware of the mismanagement and the lack of credibility of this government. And today what we have is not only, as has been mentioned, not only this massive deficit, but now we are paying over \$381 million annually just to service debt. I say that that's in excess of a million dollars a day just to pay the interest that is created by that government in seven and a half years.

But that's not all. Not only do we have massive debts for our children and their children to pay off, we have one of the highest tax regimes in all of Canada. Do you realize that in this budget alone there's increases in taxes to the tune of \$117 million — \$117 million increase in taxes. That means, on average, every single person in this province, as a result of this budget, is paying \$117 additional taxes. That's what they're paying.

And do you recall that they went to the people of the province and they said, oh well, we're going to get rid of the fuel tax. Well I'll tell you, they got rid of the fuel tax back in 1983-84, and they took it down; they reduced it to 13.5 from the previous year. In '81-82 it was 120 million, and they cut it back to '83-84, to only \$13.5 million.

And they said, and the Premier said in this House, as long as there's a Tory government the fuel tax will not be reinstated. That's here. Do you know what the revenue is from fuel tax in this budget: \$204 million, \$204 million. This is the outfit that came to office pledging to the people of Saskatchewan that there would be no more fuel tax. And they have taken it to a grand total here of \$204.1 million.

(1615)

Now how can the people of Saskatchewan believe a party that in 1982 said to them that we're going to remove the fuel tax, and what they have done now is increased it from '81-82, where it was 120.7 million, to 204 million. A broken promise. That's what it is. And the people of Saskatchewan no longer believe this party, no longer can believe the Premier of this province.

And I want to say, in addition, that we have the highest rate of personal income tax at \$35,000 of anywhere in Canada; high debt, massive debt, \$3.8 billion in the Consolidated Fund; almost \$12 billion resting on the heads of the next generations. But also the people here have a brutal attack on any of their income as a result of imposition of high taxes, taxes on the E&H tax.

I just want to remind the members that in their election — it's time for a change and a PC government will, it says, reduce gasoline prices 40 cents a gallon. You know what it is today to the business man and to the trucker and so

on? They reduced it all right; it's 45 cents on a gallon. That's what the business man is paying.

In my constituency there is a number of truckers and they've done very well and they've been very competitive, and I'll tell you Tories came to them and promised to remove that gas tax across the board to the business community and they voted for them. They voted for them in 1982. But I'll tell you, those same business men today, that trusted them in '82, will never trust them again.

And I say to you on the other side, there's a credibility gap, and once you lose the bond of trust with the people, I'll tell you, you're finished, and that's what's happening. You have told too many half-truths; misrepresented the facts too often; the people can no longer believe you.

Look at the broken promises in respect to this government. The gasoline, they said they would remove it . . . the tax, and never be back on; and today they have more than almost doubled the tax of '81-82 to \$204 million. They gave a commitment to the people of Saskatchewan to eliminate the E&H tax. In the first term of office the Premier of this province was on radio and television and indicated: in the first term of office, we'll eliminate the E&H tax. But he didn't keep that promise either, because what they've done is increase, increase the tax on the E&H to 7 per cent from 5 per cent.

As I indicated, they also promised the people of Saskatchewan to reduce personal income tax. And what have they done? Given us the highest personal income tax in all of Canada. And I just want to say, we have here in Saskatchewan a situation of massive debt placed on the backs of future generations. Our people are paying high, high rates of taxes, but worse than that, there are less and less services.

Nowhere in their brochures, or did they have decency to tell the people of the province that they were going to wipe out the best school-based dental program in all of North America. In fact they said they would improve it. And as soon as they got elected, disregarding the wishes of rural parents, particularly, and the children, they wiped out the dental program.

How can you say that you are improving health care when without even consultation you destroyed one of the best dental programs in all of North America. And there's no doubt about it, it was the best dental program, school-based, in all of North America, and they wiped it out.

Some Hon. Members: Hear, hear!

Mr. Koskie: — And they ask, should the people of Saskatchewan believe them.

Drug program, the Minister of Finance as he is now, when he was in opposition, sent out a guarantee. He was going to improve the drug program. Guaranteed to do away with even the prescription fee. Well they certainly improved it all right. They put a deterrent fee on of \$125 to most people and have made drugs inaccessible to many of our senior people. So they can't be trusted, either

in looking after health care or keeping their promises.

But I want to raise one other area, and that is in respect to agriculture. And the thing that I want to raise is that we all know that there is a very serious problem in agriculture, a major problem.

They sent a group of MLAs and cabinet ministers around this province; came back with a report. That's a year ago, more than a year ago. And not one single step was taken to help the farmers, despite the fact that in the report itself it said that 11 per cent of the farmers were insolvent, 28 per cent of the farmers were in severe financial crisis. And ever since that time they haven't taken one step to rectify the situation which they identified.

And the regrettable fact is that here we come, we have a budget. The government has all the facilities and the expertise, and we come into this House, and we've been sitting for how many days now? Seventeen days?

An Hon. Member: — Nineteen.

Mr. Koskie: — Nineteen days we've been sitting. And the situation is absolutely desperate in rural Saskatchewan. Farmers who are not going to be able to sow their crops because they can't get an operating loan from the financial institutions — that's the crisis. Interest rates are climbing, and this government has refused to join with us together and send a resolution to the federal government to indicate how desperate the situation is and how badly it affects the farmers and the small-business men here in Saskatchewan.

And this is the desperate situation out there. And here you have a federal government which has broken its promise to the farmers. During that federal election, let it be clearly known — and I'll bet you ask any farmer their full interpretation of the federal government's promise was that that money would be sent to them early in the new year. They did not say they were going to split it and give them 12, seven and nothing for the first payment and then wait, without even knowing the formula as to what they were going to get.

But as I was saying, we're in our 19th day here, Mr. Deputy Speaker. There's a crisis in agriculture. He indicates that they have some programs which he is going to bring in, and I ask you, where is the legislation? Why wouldn't we have right before us today, ready to go tomorrow, debate on legislation to help the agricultural community?

But you know what they're frittering around with? They're talking about a privatization Bill; that's important for them. Selling off our assets is important, more important than legislation to help the farmers. That's the priority.

Why didn't the member from Arm River stand up here and say, I've looked at the legislation; we're bringing it in right away. We're going to delay this privatization; we're going to put into place legislation to protect the farmers who are losing their farms. Why didn't he stand up in this legislature and read some of the headlines that address the economic conditions of this province?

Headline: "Farmers expect sheriff with eviction any time"; "Public auction of farm land over at Weyburn — the first ever in this province"; "One hundred lay-offs at Rabbit Lake Uranium Mine." Boy! have we got a booming economy under you birds.

"Alberta, the most popular destination for migrants." A total of 16,150 people out-migrated over in migration last year — a net loss. I mean, this province's economy is really booming.

Perhaps you might have also taken an opportunity to read, "The province's fastest growing export — its people". That's from a newspaper. Or maybe you might have looked at another one, "Hoteliers going broke in rural Saskatchewan." Or maybe you could look at a headline which said, "Small firms want gas tax rebate." Small-business men struggling, and you increased the tax. Or maybe you could take a look at another headline which says, "Home owners face \$34 hike in taxes."

And what do we get in agriculture? The Minister of Agriculture has not even made mention of the bills that are necessary to introduce any of the programs which he has outlined in the budget speech.

I'll tell you, there's a desperation out there, and if we have any concern whatsoever, if we have any concern whatsoever for the farmers in Saskatchewan, then what you should be doing is bringing in the Bills as soon as we have finished with the debate on the budget, and it should be tabled tomorrow. Those notices of those Bills should have been in here and we should have been debating them tomorrow. That's what we should be debating and getting the legislation through.

But is there any notice of any Bills on agriculture? No, there isn't any. Are we ready to debate tomorrow on agriculture? No, of course we aren't, because they are more concerned about privatization — sell off, give away the assets to their friends. That's their real agenda.

I want to conclude my remarks and say that the farmers of Saskatchewan need assistance, and I would welcome the opportunity to join with the members opposite because of the desperation out there, to encourage, to join in resolutions to the federal government to cut back on the interest rate. I would put all the politics aside to deal with this — not totally caused by the actions of the government, but mostly caused because we were promised a long-term agricultural program in 1985, and not one thing was done.

But I listened to the debates here today and throughout the budget and the throne speech, and I never heard many people talk about the plight of the farmers in rural Saskatchewan today and the crisis that is going on in the families as they're losing their homes, all of their work.

I have talked to people that have formed a committee of the bishops. The bishops, the Catholic bishops out in my community got together, and there was some . . . I think the hall was completely filled, 5 or 600 people assembled there. And the Catholic bishops said that we have to preserve the family farm. And there's a committee that is set up as a result of that, and they're asking this

government to give them a breathing spell, to give them a moratorium for one year, because there was no crop and the prices were bad. And they can't get anywhere with this government.

You know what the solution is? He couldn't get it in with the consent of the people, but he's going ahead with it anyway, the Premier — and that is equity financing. And all of the farms are going to be, down the line, are going to be outside Hong Kong money coming — cheap labour, cheap land. He promised it to them when he was over in the Orient, and it's coming true.

Equity financing is not preservation of the family farm. Don't ever kid yourself. Because it's big investors, and big investors don't go buy land to help set up families and give them a good livelihood. Big investors, they invest to make money. Lots of it. That's why they invest. So don't anybody over there tell me that equity financing is going to solve the problem.

What we want is the pride of family farm ownership continued. And I say that we can get together and we should be immediately dealing with any proposals, and we will be bringing forward proposals, and we're prepared to work with the government to solve that.

(1630)

But you know what this session has been set up for? Not to deal with this crisis of small-business men and the farmers. It's to get rid of assets, to their friends. That's why they set this session up. That's what the members of the front benches are saying. This is going to be the Waterloo or the Alamo or something, and socialism is going to be wiped out because we're going to get a scorched earth policy. We're going to rid of everything that they built. Yes, we'll never recognize Saskatchewan again. That's their goal.

It's not looking after the small-business men or looking after the farmer in the crisis that is on today, or the working person. They're committed to one thing, and that is filling the pockets of a few of their friends at the expense of the people of this province.

I could go on. There is so much that one could say about this operation, but every indication I can tell you is that the people of Saskatchewan are sick and tired of being deceived, of half-truths, of broken promises, of incompetence, of deceit in the operation, and waste — the people are.

And it showed up well in the last federal election. You know, they were going to wipe us out. Once they said — not in the last election, but the previous federal election — we were down to 9 per cent and socialists were going to be completely wiped out.

And they said in Saskatchewan, the Tories are the friends of the farmers. Well they were for two or three or four years. But what happened in the federal election? Ten out of 14, 10 out of 14 seats — NDP members. And that's as a direct result of being deceived provincially by Tories and federally by Tories. That's right. But particularly here because of the government opposite, that is the provincial

government.

There is a backlash against you birds to such an extent that I think in the next election you'll get wiped out. I'm telling you you're going to get wiped out. The polls indicated you're in desperate shape, and the thing is you have no direction left.

And what we want to do here, and I say to you again, what we want to do is — and we are demanding — we are asking you today to come tomorrow with the introduction of agricultural Bills so that we can deal with them, and your massive privatization can take the back seat. Let's deal with the crisis that we have in Saskatchewan — by the way, created by your mismanagement, your waste, and your corruption.

The people of Saskatchewan fortunately will have an opportunity to wipe this nightmare from their recollections. And certainly I want to say to the good constituents of Quill Lakes that it won't be long, and again a fresh, new breeze will blow across this province and hope will be restored to those who have lost faith in government and the decency and honesty of government, because never before did politics take such a beating as in the last six or seven years.

I'm ashamed to be associated with the conduct that goes on and the disrespect of this House at the level of debate in here. The administration of the House Leader opposite is a disgrace to this House in comparison to when I first came here — a total disrespect for government. And that's intentional because they want people to think that government is bad. But government is as good as the people it's elected.

And unfortunately the Tories have a horrible record, because if you want to find any form of corruption or deceit or . . . take the list. I'll tell you, all you have to do is go either federally into the Tory party or provincially into this party, and of course the impression of politicians has gone down. It has to go down when you have that type of conduct within the front benches of a government — never heard of before, and federally.

And so I say to you that I cherish this institution and I cherish democracy. And I really fear that the direction that we're heading with you birds, that you have no respect for the parliamentary system, you have no respect for the people of this province who built it. And I think the member from Wilkie is the one that most of all, I think, demeans this place with his lack of any contribution whatsoever.

I have a tremendous . . . a lot more to say, Mr. Speaker, but my friend across the way wants to endorse my policy of calling on the government to immediately get on with the agricultural Bills, because I know he's from an agricultural community dependent on agriculture. I hope he will take up the challenge that tomorrow we start dealing with agricultural crises in this House and implementing programs to help the farmers.

Some Hon. Members: Hear, hear!

Mr. Kopelchuk: — Thank you, Mr. Speaker. I welcome

the opportunity to participate in this budget debate. Despite all the gloom and doom that we've heard from the other side, I would like to take the high road and accent the positive parts of our budget, and there are many, Mr. Speaker. I think that in due time when we are ready, we will show the opposition that we do care for the farmer and that our proof will be in the Bills that will be presented to this legislature.

Mr. Speaker, I am particularly proud as a member of a rural constituency, representing rural Saskatchewan, and I find a great deal in this budget to be optimistic about. I think of things like the municipal capital program, the development of the new Department of Agriculture and Food, increased public participation opportunities, and of course increased spending in health and education.

But before I begin to talk about those other programs, which I will do more extensively in a few minutes, I would like first of all to focus on education. As the Legislative Secretary for the Minister of Education, I believe I am quite justified in saying that this government has made significant progress in the field of education, progress that has put Saskatchewan people at the leading edge of our country, and progress that will continue to keep it up there.

And I might also add, Mr. Speaker, that education is the key to this province's future. In this complex and rapidly changing world, the knowledge and skills of Saskatchewan people will determine our success in meeting the challenges of tomorrow. The quality of education that we provide our children with is the best security that they have in whatever they choose to do throughout the rest of their lives.

Well, Mr. Speaker, this government is committed to further improvements in our educational system to ensure that all students get a solid foundation to prepare them for their lifetime. We will build on the strengths of our educational system so that Saskatchewan people will have even greater access to the opportunities to learn.

And I want to review, Mr. Speaker, what has happened since 1982. Since 1982, this government has increased annual provincial funding to the kindergarten through grade 12 system by over \$160 million, or 60 per cent. We have allocated . . .

Some Hon. Members: Hear, hear!

Mr. Kopelchuk: — Mr. Speaker, we have allocated over \$360 million to the upgrading and building of new schools, and we have increased annual provincial funding on post-secondary education by over \$150 million, or 90 per cent.

And, Mr. Speaker, we have provided \$130 million for student financial assistance, with the number of students receiving assistance increasing from 5,600 people to over 13,000. And these are significant numbers, Mr. Speaker. They become even more significant when you can apply them to the living, breathing, real people in Saskatchewan who have benefitted from our programs. Saskatchewan, Mr. Speaker, has an excellent educational system.

The people of this province can be proud of our teachers and institutions, and their efforts to ensure that Saskatchewan remains a leader in education. But, Mr. Speaker, technological change is creating new challenges and opportunities for our educational system, and we as government intend to see that our educational system remains responsive to the changing demands of our society. And our 1989-1990 budget is proof of that.

In 1989-90, over \$841 million will be provided to support our educational system in this province. This represents a \$52 million increase over last year's budget. This is also nearly \$370 million, or almost 80 higher than that provided at the beginning of this decade.

And, Mr. Speaker, this year alone, nearly \$14 million will be targeted for new initiatives to improve access to higher and quality education. Over \$84 million is allocated for the construction and renovation of educational facilities for both the kindergarten to grade 12, and also the post-secondary systems. Mr. Speaker, these measures will ensure that Saskatchewan's high quality educational system will prepare our students for the year 2000 and beyond.

Mr. Speaker, this government recognizes the importance of a solid foundation for lifelong learning. Our schools and teachers are critical elements in this learning process. This budget provides over \$500 million for the support of the kindergarten to grade 12 educational system. Some of these expenditures, Mr. Speaker, are increases in operating grants, teacher pensions and benefits, money from the education development fund, new initiatives to implement educational reform, and includes the expansion of the core curriculum.

Mr. Speaker, the introduction of the new core curriculum into our schools, which began last year, will help our students prepare for the challenges of the future with the necessary knowledge and skills to succeed. The introduction of the core curriculum is one of the most important changes to ever take place in Saskatchewan's public educational system. To realize its full potential, it will take careful implementation over several years and a high level of commitment from the government, school boards, teachers, parents, and the public at large.

Mr. Speaker, the new curriculum will place more emphasis on the fundamentals of education which are reading, writing, and arithmetic. Students will also continue to study science, social studies, health education, physical education, and the arts. But, Mr. Speaker, the teaching of essential skills such as independent learning, creative thinking, problem solving, communications, and the understanding of our society and technology, will complement the compulsory subject areas.

And these, Mr. Speaker, are the skills that will enable our children to adapt to a rapidly changing world. In this budget, \$4.3 million has been allocated to develop the curriculum for use in class-rooms and to continue teacher training. This represents nearly 140 per cent increase in the last two years and is a clear demonstration of this government's commitment to quality education for our

children.

Mr. Speaker, this government also realizes the importance of keeping our children in school, which will certainly assure their future successes, and that is why we have committed the time and money into seeing this accomplished.

Because drop-out rates for northern students are far higher than the provincial average, their educational needs are of particular concern. Last year, this government commissioned the northern education task force to examine the special challenge of education in the north. And this year, Mr. Speaker, we have allocated new funding to improve student success in completing school and to address the recommendations of that task force.

Mr. Speaker, programs for students of native ancestry are a major priority. We recognize that our schools must respect the unique cultural heritage of native students. In 1984, we initiated a five-year plan to address the special needs of native students through funding for native curriculum and language development. Continuing in that vein, Mr. Speaker, in 1989-90 over \$6 million will be devoted to educational services and programs for native children.

(1645)

But ensuring the continuation of our children's education cannot be only the concern of the government, it has to be a province-wide effort. The government, educators, parents, and the community must work together to help all children succeed in completing school. Mr. Speaker, this government's new \$1 million drug and alcohol awareness program and prevention strategy will be part of this effort.

Mr. Speaker, this government has also attacked illiteracy in this province. The ability of individuals to read and write has significant impact on their capacity to participate fully in our changing society. By stressing the value of literacy skills with our children we can prevent illiteracy in the future.

Mr. Speaker, through the co-operation of school boards, teachers, regional libraries, the "Read — Use Your Imagination" campaign emphasizes the enjoyment and benefits of reading to children and parents. This campaign that was established by this government will be expanded in the following year. Mr. Speaker, government and businesses are co-operating to help make illiteracy a thing of the past.

Last year this government entered into a three-year, \$2.5 million agreement with IBM Canada Limited to introduce the Principle of the Alphabet Literacy System commonly called PALS. IBM is providing computer hardware, software, and support services for 96 computer stations at eight locations throughout the province, and four mobile units will also be established. Mr. Speaker, this project will allow thousands of Saskatchewan residents to improve their reading and writing skills. And it is the first major application of computer-assisted literacy training in all of Canada.

As well, this government established the Saskatchewan Literacy Council in 1987 to launch a major campaign against adult illiteracy. In this budget, over \$1 million has been allocated to continue this campaign. In recognition of the global significance of this problem, 1990 has been designated as international literacy year. Saskatchewan is at the forefront of the fight for literacy, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kopelchuk: — Saskatchewan people from all walks of life and regions of the province want ready access to high quality post-secondary education, Mr. Speaker. Today more Saskatchewan people are placing increasing demands on our post-secondary education institutions. In total, 20 per cent of the working-age population in this province in 1989-90 was enrolled in educational programs. This year the government will continue to meet their demands.

We are providing almost \$150 million in operating grants to our two universities; almost \$709 million to SIAST (Saskatchewan Institute of Applied Science and Technology); over \$53 million for capital improvements and facilities at all post-secondary institutions, including the College of Agriculture building in Saskatoon; and up to \$10 million for a new university institute enhancement fund.

In addition to this, Mr. Speaker, \$24 million will be allocated towards skills training and distance education programs delivered through our regional college system and SIAST.

In order to prepare for the future, our post-secondary education system must respond to the needs of the people of this province. Mr. Speaker, this government has demonstrated its leadership by taking steps to ensure that Saskatchewan students are ready for the future. SIAST was created to ensure high quality skills training at each of the four campuses. The regional colleges were created with a new mandate to offer university and skills training programs, as well as adult basic education and literacy training.

The Northlands Career College was established specifically to emphasize access to employment-directed training for Northerners. The Distant Education Council was established to develop and co-ordinate the delivery of university skill training and other educational programs in smaller centres through the use of telecommunications. The International Language Institute was established at the University of Regina to provide training in a diverse range of languages.

Mr. Speaker, access to quality education is vital to the continued success of this province, and I assure you, Mr. Speaker, that this government is committed to ensuring the educational programs are in place for the people of Saskatchewan so that they can meet the challenges and opportunities that the future is just sure to bring.

Mr. Speaker, another area where we are leading the country is in our health care initiatives. I will only touch briefly on this subject, since I know my colleague from Regina Wascana, the very able Legislative Secretary to

the Minister of Education, will be dealing more extensively with the subject later this evening. But I would like to say, Mr. Speaker, that regardless of what the members across the way would have the public believe, this government truly is the protector of the health care needs of our people.

With this budget bringing our per capita spending up to almost \$1,400 in this province we are — per capita — we are only second to Alberta on the amount of money that goes into the health care needs of every man, woman, and child in this province. Mr. Speaker, when the New Democrats held government in this province, Saskatchewan ranked eighth — eighth, Mr. Speaker — and they like to carry this pretence that they are the real protectors of health care to the people of this province.

Since coming to office in 1982, this government has been firmly committed to maintaining a quality health care system for our people. We have raised health care spending in this province by 91 per cent in just seven short years, Mr. Speaker. And the health care system of the 1990s must be prepared to respond to the challenges so that our people can continue to have access to the high quality health care system we now enjoy.

Mr. Speaker, this government is completely capable of doing this. And, Mr. Speaker, what is more, the confidence of the residents of Saskatchewan is firmly behind this government as it pursues that commitment. In order to ensure this success though, Mr. Speaker, we need the prosperity that economic development will generate.

One of the key ways to build a climate for economic development, Mr. Speaker, will be through increased public participation initiatives. Mr. Speaker, our public participation program builds on the strength of Saskatchewan, its resources, and the skills of its people. Public participation benefits Saskatchewan people through the creation of new investment, jobs, economic growth, and diversification.

Mr. Speaker, when this government created the Department of Public Participation, its purpose was to provide a greater focus on the program by encouraging Saskatchewan people to play a larger role in the growth and development of their province. Through the development of some government assets and the formation of the new Saskatchewan companies, public participation has created new jobs and attracted new investment and revenue dollars into this province.

I'd like to reflect for a moment on what the sale of the money-losing Crown corporation PAPCO (Prince Albert Pulp Company) to Weyerhaeuser Canada has meant to the people of this province. A company that once cost the taxpayers of Saskatchewan more than \$90,000 a day to operate, is now responsible for approximately 1,000 jobs in this province.

Run by private industry, this country has seen continued growth and expansion. They constructed a \$250 million world-class paper mill in Prince Albert, where over 700 jobs were created in the construction stage, and 169 permanent jobs in the Prince Albert pulp mill. This initiative will create 34 permanent positions and about

100 man-years of employment during construction. Mr. Speaker, the monthly incomes of the paper mill employees represent approximately \$500,000 that is injected directly into the city of Prince Albert.

And another thing, Mr. Speaker, in April of 1988, Weyerhaeuser presented a cheque to the Government of Saskatchewan for \$30.5 million as a first instalment on total profits of \$63.5 million. The sale of PAPCO to Weyerhaeuser was argued about for countless hours in the legislature as the New Democrats opposed it. They called it a sweetheart deal. Well, Mr. Speaker, for the people of Prince Albert and for the people of this province who no longer have to . . . you see, \$90,000 a day financing this debt, you bet it was a sweetheart deal.

WESTBRIDGE computer company is an excellent example of what public participation means for our province. Since forming, WESTBRIDGE has earned \$6 million in out-of-province contracts, and the company's quick rate of growth has already created 50 new jobs. Mr. Speaker, continued expansion promises another 200.

And I'd also like to talk about Saskoil, Mr. Speaker. The planned gas development activities resulting from the purchase of unutilized SaskPower natural gas reserves will create new economic activity to the tune of 100 new wells to be drilled, the potential for 600, and, Mr. Speaker, 1,000 jobs projected to be created. Now that, Mr. Speaker, is working for Saskatchewan people.

Mr. Speaker, when this government offers bond and share issues in our Crown corporations, we are providing the people of Saskatchewan with a direct stake in the economic development and diversification of this province. Over 42,000 Saskatchewan residents invested in the last SaskPower savings bond, and over 33,000 participated in the recent SaskTel TeleBond issue. Almost 11,000 Saskatchewan residents and employees participated directly in the development of Saskoil and WESTBRIDGE through share ownership.

The revitalization and expansion of companies, formerly owned by the government, has brought new technology, new investments, new jobs, and value-added diversification to Saskatchewan.

In dealing with our public participation initiatives, Mr. Speaker, employees' expertise is a very important consideration. Employee expertise has contributed a great deal to the province's economic development. As a province works with public and private sector employees to strengthen the province's economic base, this commitment has resulted in employees' equity investments in enterprises formerly owned by the government. Some of these, Mr. Speaker, include the Meadow Lake Sawmill and the Saskatchewan Government Printing Company, WESTBRIDGE, Saskoil, DirectWEST, NorSask, and Printco Graphics. Mr. Speaker, more than 1,000 employees have a direct stake in the growth and productivity of these companies.

And, Mr. Speaker, I want to reaffirm that our government will continue to assist the province's people and businesses and their developmental efforts because the progress of public participation provides a stronger and

more diversified provincial economy. Mr. Speaker, the initiatives I've already spoken of benefit my constituency as they will every man, woman and child in this province.

But right now I'd like to move over to some of the initiatives that are really going to make a difference to the people at home in Canora. This government has really facilitated the diversification of the rural economy through the implementation of new and innovative economic development policies.

The community economic development program that we initiated in 1985 assists small urban municipalities to diversify their economic base. This program provides financial assistance for market surveys and studies, promotional activities, and specific project development plans. Mr. Speaker, if there's one program that this government came up with that has been appreciated in Canora, it's this program. It is vital. It is benefitting the community, and I cannot walk into the town where the mayor and the council don't bring this to my attention.

To date, Mr. Speaker, 55 of Saskatchewan's smaller urban municipalities have established these said committees. And by working with the people in their communities, these committees helped develop over 400 projects, with a total value of \$51 million, resulting in 2,100 new jobs.

The rural development program, the corporation program, Mr. Speaker, was initiated to diversify the economic base of our rural communities. We established this program in 1986 in response to the recommendations of the task force on rural development. These rural-based corporations are supported by the Rural Development Corporation program through matching government funding over a five-year period. They are established by local people to co-ordinate the efforts of rural municipalities, towns, and villages; to create jobs and improve local services; to diversify the local economy; and to provide new opportunities for young people in their local communities.

Mr. Speaker, to date, nine Rural Development Corporations, involving two in my constituency, more than 60 rural and urban communities have been established, and discussions are under way to establish 15 more. And to help enhance this initiative, changes have been made to the venture capital program, which will allow Rural Development Corporations to qualify for the 30 per cent provincial tax credit.

Mr. Speaker, this budget builds upon these innovations and strengthens the local economies. They're providing new opportunities for communities.

The Saskatchewan growth fund will make available up to \$100 million in investment funds for economic development opportunities in rural and urban Saskatchewan, with \$36 million available the first year.

Mr. Speaker, I see that I'm not going to finish, and I have more to say. I'll call it 5 o'clock, Mr. Speaker.

The Assembly recessed until 7 p.m.

CORRIGENDUM

Please note the following in the *Hansard* No. 18B Tuesday, April 4, 1989, 7 p.m.: Page 524, second paragraph, right-hand column — for “\$5,000,” please read “\$1,000.”

[NOTE: The online version has been corrected.]