The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Lingenfelter: -- Mr. Speaker, I appreciate the opportunity to introduce to you and through you to members of the Assembly 21 grade 12 students from Martin Collegiate here in Regina. They're with us here today to observe question period. And I know that all members will want to join with me in welcoming them here to the House along with their teacher, Doug Bolander.

I will be meeting with these students after question period for photographs and for drinks in the members' lounge downstairs. So I would ask all members to join with me in welcoming them here and wishing them the best.

Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: -- Mr. Speaker, I would like to introduce to you and through you to members of the House, in the west gallery on his very first visit to a session of the legislature, a person who's very important to me, my life partner for the last 36 years, my husband, Dan.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Ministerial Letter to SUMA

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier, and it has to do with ethics and the appropriate behaviour of ministers of the Crown.

Mr. Premier, I believe that members on both sides of the House would agree that individuals and organizations in Saskatchewan should be able to comment freely and openly on matters of public policy without fear of retribution from the government.

Mr. Premier, your government has created an atmosphere of fear in this province that could potentially make government threats and coercion very effective. Individuals and organizations may be afraid to speak publicly against the government for fear of losing their school, their hospital, their government funding or even their jobs.

Mr. Premier, will you make the commitment today that this type of activity will not be tolerated amongst members of your cabinet, that your ministers will not threaten or attempt to blackmail those who disagree with government policy, and those who breach this standard of ethics and do engage in threats and coercion will be removed from cabinet?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, I thank the hon. member for that question, which of course he has not provided any detail to me on. But I can say as a matter of general policy and principle that this government welcomes genuine dissent and contrary opinions.

We don't know whether all the solutions that we, as a government, advance are the correct ones, and we need the input -- the productive, constructive input -- of everybody involved. And therefore that is the policy of the government including the cabinet and the MLAs (Member of the Legislative Assembly). And I can assure the member that we will support that policy.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Premier, I thank you for that answer. I just want to make sure of the firmness of your commitment on this matter.

As Leader of the Government, it is incumbent upon you to ensure that none of your ministers use threats or coercion as a weapon against those who take exception with the policies of your government.

Can you assure this House that it has never happened in the past nor will it happen in the future? Or if it has happened, that you will take swift and appropriate action to discipline the minister who has breached the public trust by using their office to threaten or intimidate others?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, first of all, I reject the -- if I may so with the greatest of respect to the hon. member opposite -- what can only be described as inflammatory language, such as threats and intimidation and goodness knows what else he uses. I realize that it's question period and he's trying to get some publicity.

I can tell the member again what I said in response to his first question. Threats and intimidation, if they occur -- I can hardly believe that they have -- are not a policy of this government and we don't accept that. We welcome differing and contrary opinions. And if an hon. member has something specific which he wants to raise, I wish he would raise it in his next question and we'll try to deal with it at that point.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Premier. Mr. Speaker, Mr. Premier, on March 4, 1993, shortly after the introduction of your government's new health legislation, the Saskatchewan Urban Municipalities Association issued a news release calling on your government to remove health funding from the property tax base by repealing The Hospital Revenue Act.

This seems like a reasonable enough request. SUMA (Saskatchewan Urban Municipalities Association) was simply acting on the position of its membership. Mr. Premier, your Minister of Community Services responded by writing a letter to the president of SUMA which states, and I quote:

> Your remarks display an apparent lack of good faith on your part to continue this partnership and discussion. One can only assume this was done for political purposes.
>
> In order to achieve any (and the minister has underlined any) further (discussions) on the (process for) alternate financing methods, I strongly urge that you issue a clear, unequivocal retraction immediately.

Mr. Premier, simply stated, your minister has threatened SUMA. In light of your commitment you just gave, will you take the only appropriate measure, prove your commitment to political ethics in this province, and ask for the resignation of the Minister of Municipal Affairs.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, I will answer the question directly by saying no, I definitely will not, and certainly not based on that exchange of correspondence.

The fact of the matter is that Mr. Cholod misrepresented what I said to SUMA and his subsequent letter confirmed that. And the Minister of Urban Affairs, now Municipal Government, did the proper thing by pointing that out and asking Mr. Cholod to do the proper thing too, and that is to explain exactly what I did say to the SUMA delegates.

It's all down there in writing. I gave it from a delivered text. There were no questions or answers which deviated from the text, or press comments which deviated from it at all. Everybody knows it. And the responsibility is on us.

Look, we're in a tough enough jackpot, thanks to the Tories, now in Saskatchewan, that we ought not to get into a disagreement on words or facts as we seek to get out of this problem mutually.

Quite frankly the letter that was written by the minister to Mr. Cholod, while I don't have it in front of me, I assume was a letter which was written from her to him, and a good relationship. Clearly he or somebody has seen fit to deliver it to you. And I regret that because you're trying to politicize something and overstate an unnecessary issue.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Mr. Speaker, Mr. Premier, the commitment you made to this House just a few seconds ago is beginning to ring hollow. Your minister threatened SUMA. That's what she did. She threatened SUMA. She said that they had to give an immediate retraction or she would not even discuss financing arrangements with them with respect to the hospital Act, Mr. Premier. Your government, your minister, threatened SUMA and she should be thrown out of office, relieved of her duties as Minister of Municipal Government.

Mr. Speaker, we again ask you for that commitment to the House today. Will you ask that minister for her resignation?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Well, Mr. Speaker, first of all, may I say that the budget which my colleague has presented on behalf of the government must be playing pretty well out there if this is the order of the question period that the opposition chooses to take. One would have thought, given all of the issues which the budget raises, that this member and this opposition chooses this as a lead-off. Well that's their choice.

I do not think that it is improper and it for sure is not a threat for a minister to say that it's incumbent to clarify the remarks and that in order to achieve any further progress on alternate financing methods . . . she was referring to the alternate financing methods of The Hospital Revenue Act which is subject to negotiations. How anybody in the wildest of imagination -- of course in the absence of anything to attack the budget substantially I guess anything is possible -- how anybody in the wildest imagination could come up with that concoction or interpretation is beyond me.

Mr. Speaker, I repeat again, the situation simply is as follows. We believe SUMA is an important organization. We want to work out our problems with them. We want to solve them in a cooperative way. We will. If there's a dispute between Mr. Cholod and the Minister of Municipal Government, believe me, Mr. Cholod doesn't need your intervention or help. We'll straighten it out with SUMA ourselves.

Some Hon. Members: Hear, hear!

Mr. Boyd: -- Thank you, Mr. Speaker. Mr. Premier, you can make all the jokes about this you want, but the fact of the matter is, is SUMA takes this very seriously -- very seriously indeed.

Mr. Speaker, Mr. Premier, your minister in her letter to SUMA said -- and I'll go back to it again if you didn't hear it the first time:

> Your remarks display an apparent lack of good faith on your part to continue this partnership and discussion. One can only assume that this was done for political purposes.
>
> In order to achieve any (and the minister has underlined any) further progress on alternate financing methods, I strongly urge that you issue a clear, unequivocal retraction immediately.

That's what your minister said, Mr. Premier. That is a threat. If you ask SUMA to address this misunderstanding, fine. But the fact of the matter is, your minister threatened them and she threatened not to look at alternate financing for them.

Mr. Premier, do the honourable thing now and ask that minister for her resignation.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, the member can keep asking me all afternoon. I've given him his answer. And I won't be able to convince the hon. member. I think any fair-minded person in this legislature or outside knows exactly what the correspondence says. In fact Mr. Cholod, in writing back, in writing back to the minister, said, quote:

> While our press release alludes to the consultative process leading up to the introduction of Bill 3 . . .

I might add parenthetically they had had two meetings before that time. He said:

> . . . it did not make specific reference to the transitional steps in consultations referred to in your speech and the Premier's message to SUMA convention delegates. This is an unfortunate oversight (Mr. Cholod writes). We regret any difficulties this may have caused . . .

His exact words. So we acknowledge the correctness of the minister's correspondence. We accept this. The issue's a finished issue. The relationship is a good one. And I want to tell you the Minister of Municipal Affairs has worked with Mr. Cholod and SUMA longer than you've been in this Legislative Assembly, sir. She knows how to deal with them.

Some Hon. Members: Hear, hear!

Purchase of VLTs

Mr. Swenson: -- Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Gaming Commission. Mr. Minister, I am sure you will agree that the gaming industry that you are responsible for must not only be totally legitimate, but must be perceived to be above-board.

Unfortunately, recent events have given many people the impression that you do not have the situation under control. Mr. Minister, there have been resignations from the board of directors of the Gaming Commission, several different executive directors and numerous presidents have come and gone. Criminal charges have been laid in some cases, and investigations are under way. This, coupled with the controversy at the Bear Claw Casino, makes for a very concerned and suspicious public, Mr. Minister.

Now we hear in the media that you have awarded contracts for 2,000 video lottery machines to two American companies worth 20 million bucks. Mr. Minister, Saskatchewan people will want to be assured that you have done your homework and that you have done due diligence to ensure that these contracts have been awarded fairly.

Will you give the assurance today, Mr. Minister; will you table the documentation; will you make public any review or study that your government has done in awarding of this $20 million contract.

Hon. Mr. Lautermilch: -- Thank you, Mr. Speaker. In response to the member's question, I want to indicate to him that the Gaming Commission did a very in-depth study with respect to the people who had put forward proposals with respect to the VLTs (video lottery terminal). I believe, based on the information that they looked through, they made the best decision on behalf of the people of Saskatchewan, and I concur with their decision -- I think they've made the right decision.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. A question to the same minister. Mr. Minister, you won't mind answering a few questions about those contracts then. Mr. Minister, one of the American firms which was awarded a contract was Video Lottery Consultants of Bozeman, Montana. Information, I might add, that you refused to provide to the opposition in written questions late last week.

Mr. Minister, were you aware that this company is wholly owned by Video Lottery Technology? And were you aware that last summer the Australian state of Victoria refused to honour its lottery terminal contract with VLTS and ordered a police investigation into this company because of the reputation of the CEO (chief executive officer), a Mr. Barry Lippon? Were you aware of that, Mr. Minister?

Hon. Mr. Lautermilch: -- Thank you. Mr. Speaker, I am aware of a couple of things surrounding this. First of all, the decision to select this company as one of the suppliers was a unanimous decision made by the Gaming Commission. I am also aware of the fact that the province of Alberta, after doing their review, found no problem with this company. We have gone through, as I said, a very in-depth process to determine that this would be a reliable supplier, and as I said, again, I concur with the decision of the Gaming Commission.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- A question to the same minister, Mr. Speaker. Mr. Minister, were you aware that the Victoria Gaming Commission discovered that the one-time CEO of VLTS, Mr. Lippon, had made a false statement to the Montana Department of Revenue concerning a VLT contract, and that Mr. Lippon had extensive business contacts with two men who had been convicted of fraud and illegal gambling? Did your review uncover and consider this information, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: -- Thank you, Mr. Speaker. I'm aware of the fact that Mr. Egan, who did the investigation on behalf of the Gaming Commission, was aware of the circumstances surrounding the company. I would want to indicate to the member that Mr. Lippon is no longer associated with that corporation.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Question to the same minister, Mr. Speaker. Mr. Minister, Mr. Lippon was removed as CEO. But were you aware that the replacement for Mr. Lippon, a Mr. Jim Davey, former head of the Oregon State Lottery, was also the focus of an ethics probe by the Oregon State Ethics Commission to see if there were any conflict of interest guidelines breached?

And were you aware that Mr. Lippon was subsequently given a $500 per hour -- $500 per hour -- consultant fee with VLTS?

Were you aware of those facts, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: -- Mr. Speaker, in response to the member's question, I can say that Mr. Egan, who was responsible for the investigation, has indicated that there are no problems concerning this corporation.

And I believe that the amount of study and the amount of time put into making this decision was adequate. I believe the decision was appropriate. And I support the recommendation.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Question to the same minister, Mr. Speaker. Mr. Minister, were you aware that VLTS's recent bid to supply machines to West Virginia was suspended by Governor Caperton early this year, and that the FBI (Federal Bureau of Investigation) subsequently started probing the political contributions and video lotteries' role in influencing West Virginia's Gaming Commission? Did your due diligence uncover that fact, Mr. Minister?

Hon. Mr. Lautermilch: -- Mr. Speaker, in response again to the member's question, I can indicate to you that VLTs have been provided to the jurisdiction of Alberta, Atlantic Canada, Oregon, South Dakota, Rhode Island, and Australia.

I will reaffirm that there has been an in-depth study with respect to this corporation. I believe that the reputation of Mr. Egan is beyond reproach and I stand by their decision to recommend this corporation.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- A question to the same minister, Mr. Speaker. Mr. Minister, it would appear that this company doesn't have a particularly good track record when it comes to things that arouse suspicion in various law enforcement agencies around the world, and that's evident just from reading newspaper clippings, Mr. Minister.

Now you say you've done your homework. And you knew all of this information was there but that it was totally irrelevant to Saskatchewan. Well, Mr. Minister, I'm wondering if it is totally irrelevant. As I said, perception of legitimacy is very relevant to people in this province.

Mr. Minister, could you tell this Assembly . . . could you table a list of all those people involved with the negotiations on the $10 million contract with VLTS. And I ask you to include individuals hired or contracted by the Saskatchewan government or any of its agencies, as well as individuals hired or contracted by VLTS or any of its agencies or subsidiaries. Would you supply that information, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: -- Mr. Speaker, what I will say to the member opposite, that for him to stand here and question the integrity of Mr. Egan, a former RCMP (Royal Canadian Mounted Police) superintendent who has done an in-depth study with respect to this issue, I think is unacceptable.

I will indicate to you that there was in fact an in-depth study on all of the companies who had applied to supply these VLTs to the Government of Saskatchewan. The criteria was analysed in depth, and as I've indicated to you, sir, I believe that the right choices were made and I will stand by the word of Mr. Egan who did the study. Thank you.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. Mr. Minister, nobody is questioning the individual's competence or integrity. What we are asking questions about is your partner who is under investigation in various areas of the world by various police agencies, by a governor of a state. And there is, I would suggest to you, Mr. Minister, a reason why Saskatchewan people would want to feel totally, totally at ease in the fact that you have had three different gaming commissions in place over the last 16 months.

Now, Mr. Minister, will you supply a contract with VLTS, any and all correspondence between the Government of Saskatchewan, the Gaming Commission, and/or the minister's office with respect to the negotiations in awarding of this contract? Would you do that in this Assembly, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: -- Thank you. What I will do is begin by correcting the member opposite, Mr. Speaker. We have entered into negotiations for a

company . . . two companies to supply VLTs to the province of Saskatchewan. It is a purchase arrangement. It is an arrangement by which people who have the technology to supply these VLTs will supply them to the Government of Saskatchewan under a contract, so clearly it is not a partnership arrangement.

I will repeat, Mr. Speaker, to the member opposite: we have received a report from the Gaming Commission who has studied this issue in great detail. I believe the criteria used to select these two companies is above reproach. I think that they have made the right decision and we will continue negotiations with the two companies.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Thank you, Mr. Speaker. A question to the same minister. Well, Mr. Minister, Saskatchewan people who would have liked to have been involved in this business are asking questions about your partners in the gaming industry. You know very well, Mr. Minister, that a Saskatchewan partner of ISM-WESTBRIDGE (Information Systems Management Corporation) called Thunderbird Gaming, under the leadership of one Bob Sim, has made a proposal of equal cost to your American partners.

The Thunderbird proposal involves Saskatchewan people, with no allegations of criminality, with no outstanding charges in relation to illegal gambling activities, and offered the potential, we are told, the potential of 400 jobs for Saskatchewan people. Now given the apparently unsavoury background of your American business partners, Mr. Minister, why would you refuse the Thunderbird offer, a made-in-Saskatchewan solution, to your gaming proposal? Why wouldn't you do that, Mr. Minister?

Hon. Mr. Lautermilch: -- Thank you, Mr. Speaker. In response to the member's question let me say this. We will be trying to achieve a maximum degree of Saskatchewan content with respect to these VLTs. I would want to say to you that I don't intend to discuss the negotiations or the criteria in public. We have gone through a process that I believe established quite clearly which would be the superior bids. We have selected two and I stand by that decision. I think we have made the appropriate decision and I do believe it will result in Saskatchewan jobs for Saskatchewan people.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Well, Mr. Minister, those were all very legitimate questions. You refused to answer any of them in the House. I hope at some point you're prepared to answer them because there's a lot of people in Saskatchewan that are very concerned about your American business partners.

Mr. Speaker, I have a question for the Premier. Mr. Premier, why would the revenues generated by these machines not be a budgetary item? You have stated that you're going to move into all lottery funds generated in this province. You're going to move them into the Consolidate Fund for accountability reasons. So why wouldn't this hold true from the revenues generated from VLTs? Why would you not have those revenues subjected to the scrutiny of this legislature?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, I would say to the hon. member specifically with respect to his question, that in the detailed consideration of the **Estimates** there can be a more full explanation of the circumstances. There are accountings that are listed throughout the book, as one sees it -- I can't put my finger on it immediately -- but there is . . .

An Hon. Member: -- They're not there.

Hon. Mr. Romanow: -- Well there is. I have, for example, the borrowing requirements by the Saskatchewan Gaming Commission are listed on page 82, as an example. You'll be able to find them for the detail.

So I would really say to the hon. member, Mr. Speaker, that in estimates we'll be pleased to answer all of that in detail, and the Minister of Finance might have some further information to add later.

Some Hon. Members: Hear, hear!

Mr. Swenson: -- Question to the Premier again, Mr. Speaker. Mr. Premier, your minister has just entered into contracts worth $20 million to purchase these machines. Your government is obviously counting on large amounts of revenue coming back to the province of Saskatchewan or you wouldn't have invested the $20 million.

Now how can these revenues be non-budgetary, as you've announced? How can they not fall under the legislative scrutiny of this Assembly? I mean after all, Mr. Premier, you were the one that was out talking about accountability and all of a sudden this principle seems to be abandoned totally. Nowhere in your budget is it mentioned about the revenues from the video lottery terminals. Now, Mr. Premier, once again, will you give the commitment today that there's been a mistake made and your government is going to report in this legislature about the revenue derived from these machines?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, the commitment that I give to the hon. member is, he will know at the appropriate time in estimates or later this . . . (inaudible interjection) . . . No, the hon. member talks about this is the appropriate time, in question period. I always felt, with the greatest respect, Mr. Speaker, question period was matters of policy as opposed to questions of detail.

The question that the hon. member asks -- if the member from Rosthern would just hang onto his hat

here a little bit, I'll give him the answer -- those will be answered to the member. The days of secret corporations or non-accounting of funds died on October 21, 1991.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- And when I say the SDC, the Saskatchewan Diversification Corporation, which spent money (a) no one knew it existed -- I'm not even sure the Leader of the Opposition knew it existed -- spent money like a drunken sailor, and nobody had any account for it. Well the former premier says answer the question because he doesn't like the answer I'm giving because he was part of that SDC operation.

And my answer to the former premier is I have said those detailed questions will be provided for you in the estimates. I can't put my finger on it right now but it's available and it's nothing that's being hidden in this regard.

Some Hon. Members: Hear, hear!

(1430)

MINISTERIAL STATEMENTS

Moose Jaw-Thunder Creek Health District

Hon. Mr. Calvert: -- Thank you, Mr. Speaker. I rise this afternoon to inform this Assembly of a significant event in the province's efforts towards health reform.

This morning I had the pleasure, along with the Minister of Health and the member from Moose Jaw Palliser, and the mayor of Moose Jaw, and numerous representatives of the health care community in Moose Jaw, of being present for the signing of the agreement establishing the Moose Jaw-Thunder Creek Health District.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: -- Mr. Speaker, this new health district, the fifth to be established in our province, will assume responsibility for providing the citizens of Moose Jaw and surrounding area with integrated acute care, home care, special care, and ambulance services.

The health care providers and community leaders of Moose Jaw and area have worked together to create a health board structure that takes into account rural and urban health needs, religious and cultural sensitivities, and which recognizes the need for community involvement in planning and delivering health services.

This is a critical first step in health reform for Moose Jaw and area, a step that empowers the roughly 44,000 people within the new district to take responsibility and control over their health services. As the new board develops ways to meet the health needs of the district, people will have opportunity to join together to help themselves, their families, neighbours, and communities to establish a health system with wellness as its objective.

I would like to thank the people of Moose Jaw and district for their commitment and willingness to work with each other and with the Department of Health to bring us to this important point in health care reform.

Mr. Speaker, today's announcement reflects this government's commitment to improving and maintaining quality health care and community-based services. We can look forward to the formation of the Moose Jaw-Thunder Creek Health District as an example of the Saskatchewan way of doing things in a spirit of cooperation.

That spirit, Mr. Speaker, that spirit has forged and strengthened partnerships between health care trustees, community leaders, government and health providers. We have all pulled together to share the responsibility for achieving our common goal of a better health system for Saskatchewan.

Together, Mr. Speaker, Saskatchewan people are finding unique and creative ways to improve our health system. Today's formation of the Moose Jaw-Thunder Creek Health District is a tangible example of creativity and resourcefulness.

Mr. Speaker, I ask the members of this Assembly to join with me in thanking the people of Moose Jaw and area for the hard work and dedication which led up to today's agreement and in congratulating them on the formation of the Moose Jaw-Thunder Creek health care district.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Thank you very much, Mr. Speaker. And I thank the Hon. Associate Minister of Health for giving me a copy of his statement so that I could follow along with him in his comments.

And the first thing I would like to do , Mr. Speaker, is to compliment and to congratulate the Sisters of Providence, the board members, and the people of Moose Jaw for persevering as my colleague says and for pushing this government to complete the steps that George McLeod initiated back in 1991.

Some Hon. Members: Hear, hear!

Mr. Neudorf: -- Mr. Speaker, the money was in the budget . . . They laugh and they hoot in derision, Mr. Speaker, every time that they are exposed for the weaknesses in their programs, Mr. Speaker. It's the citizens of Moose Jaw in conjunction with the former minister of Health who had the money in the budget for this particular initiative, Mr. Speaker.

And I would compliment the Minister of Health, the Associate Minister of Health, for bowing to the wishes of the area of Moose Jaw. But I want to hand out as few words of caution, Mr. Speaker, in the comments that the minister just made. And I would want to make sure

that the citizens of Saskatchewan are aware of some of the pitfalls that are involved.

There are some buzz-words, Mr. Speaker, used in this release -- buzz-words such as "empowering the people." Empowering the people. Well whoop-de-do, Mr. Speaker. That's exactly the concerns that the people of this province are expressing to me when they talk about the wellness as an objective, Mr. Speaker. They conveniently forget that the wellness model can only be fully implemented once we have taken care of the sickness model.

The sickness model is going to be thrown out as the baby in the washtub. Mr. Speaker, that does not compute. We must take care of the sickness model in rural Saskatchewan in particular as we make this important transition over to the wellness model. We have no problem with that.

But, Mr. Speaker, another item that the minister said is that the spirit has forged and strengthened partnership. Mr. Speaker, that is where our concern, along with the people of rural Saskatchewan, is; that, Mr. Minister, that spirit of partnership is sadly lacking in rural Saskatchewan in particular. It's sadly lacking because what you are doing is dividing up community against community. It used to be when we talked about the urban/rural split. That's no longer so. We have the rural split of community looking over its shoulder as a larger community is preparing to gobble it up.

And there's a lot of concern out there, Mr. Minister. And I can only hope, and I think that this will be the case in the Thunder Creek-Moose Jaw Health District, that indeed there's going to be enough homogenized situation where there will be the unanimity that is required for something like this to work.

And when you talk about 44,000 people being affected by this health district, Mr. Minister, I surely hope you know what you're doing, because the message that we're getting back from the people of the province is that -- particularly rural Saskatchewan -- you don't, you don't. And that's the concern that they're expressing.

So once again, Mr. Speaker, I'm glad for the opportunity to be able to react to the minister's announcement. And once again I would like to pass on my congratulations to the citizens of Moose Jaw that were able to persevere and make sure that this government listens to them. I only hope you listen to the other citizens of Saskatchewan as well.

Some Hon. Members: Hear, hear!

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

Mr. Draper: -- I care to introduce a guest, Mr. Speaker, sir.

The Speaker: -- Order, order . . . (inaudible interjection) . . . I will determine that. Why is the member from Assiniboia-Gravelbourg on his feet?

Mr. Draper: -- I'd like to introduce a guest, Mr. Speaker, sir.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Draper: -- Thank you, Mr. Speaker, sir. I'd like to introduce to you and through you to all the members of the Assembly, sitting in the west gallery over there, a neighbour, friend, and supporter of mine, Mr. Maurice Lafreniere from Gravelbourg who's coming to Regina during the week of La Semaine de la Francophonie. Thank you.

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 by the Hon. Ms. MacKinnon that the Assembly resolve itself into the Committee of Finance.

Ms. Bradley: -- Thank you, Mr. Speaker, for the opportunity to continue my remarks from Friday in support of the budget.

As I said on Friday, this is a budget, although difficult, that will lead us on the journey of renewal, a budget that will give us financial freedom, a budget, Mr. Speaker, that secures our future -- a future that the residents of our great province deserve, a future our children and our grandchildren deserve.

I again want to congratulate the Minister of Finance for her leadership and strength in preparing this budget. I also want to congratulate all the members of our caucus for their hard work, determination, courage, and compassion in helping to prepare and in supporting this budget.

It's a budget that each member of our caucus struggled with, and at time found heart-wrenching in making difficult choices. But we all had a say and we all brought our constituents' concerns to this budget. But through this struggle, we are presenting to Saskatchewan a budget based on reality, fairness, community, cooperation, and compassion.

Sacrifice is not easy, but it is necessary. When we know our sacrifice is for a just cause, I believe the people of Saskatchewan are prepared to accept it. I have faith in the people of this province that they will support this budget too. Not because they want to pay higher taxes and not because they want less programs, but because they want a plan to rebuild this province to secure their future. Without such a plan we

jeopardize all that we do have.

Mr. Speaker, when I say this budget is based on reality, it is. And the reality of the financial situation in this province is serious but not insurmountable. Some would say this is a doom-and-gloom message. I argue, this is reality. And when we know what reality is, we can face it, challenge it, and move on.

The reality is, Mr. Speaker, that each year, as we continue to run deficit budgets, more money will go to serving the debt rather than serving the people of this province.

And I am confident, Mr. Speaker, with this budget we are facing reality and we have set out a long-term plan to secure the future of this province -- a plan that creates jobs and strengthens our economy; a plan that balances within four years; a plan that rationalizes and improves the delivery of services; a plan that is committed to compassion. It is a plan of hope and partnership with our communities. And I do have faith in the ability of Saskatchewan people to meet the challenge.

Some Hon. Members: Hear, hear!

Ms. Bradley: -- And as I said on Friday, there are many examples of Saskatchewan people meeting the challenge, as I congratulated the Milestone Prairie Players in their many successes and in representing Canada in Ireland at an international drama festival -- a true accomplishment done through cooperation and community, the Saskatchewan way.

Between last year's session and this session, I held over 17 public meetings in my constituency. These meetings were an opportunity for me to tell my constituents about government programs and initiatives and also, and possibly more importantly, for me to hear their concerns.

In my constituency, farming and small business are an integral part of the economy. My constituents raised concerns about agriculture, jobs, and services. They have been facing difficult times. But I am proud to say that I represent people who are hard working, creative, adaptable, and resilient, people who want to cooperate and work with us to meet the challenges head-on.

To tackle the budget, they realize there are no easy answers. We could ignore the situation, which would only jeopardize all our programs with massive devastation. We can cut back on expenditures or raise revenue or stimulate the economy. No one answer will work, but through a combination of cuts to government expenditures, some raises in revenue, and by stimulating our economy, we can begin to live within our means. And, Mr. Speaker, our budget addressed all these areas and addressed it with compassion.

Mr. Speaker, agriculture of course plays a central role in my constituency as it does in Saskatchewan's economy. Some may be heard to say that this budget doesn't have a vision for agriculture in this province. I beg to differ, Mr. Speaker. We do have vision. We have a long-term vision and long-term commitment to achieve that vision, something the opposition members wouldn't understand.

Our farmers in this province would have been better off if the former leader of the Tories had left agriculture programs alone. We saw programs signed into, that continued to allow the federal government to reduce its percentage of support while the provincial government gained a larger percentage of carrying the costs of support programs.

Saskatchewan sits in the most vulnerable situation in Canada because of this. With over 40 per cent of the agriculture base in Canada and less than 4 per cent of the tax base, how can Saskatchewan be expected to support the very industry its economy is based on when times are difficult. It's exactly what we have been saying over and over again. It is like asking the person who is bleeding to death to give themselves a blood transfusion.

Mr. Speaker, from 1988 on, the federal government offloaded second line of defence support programs onto the province. Before 1988 the federal government funded these programs a hundred per cent. We now fund over 40 per cent of our programs from our producers and our provincial taxpayers. Our GRIP (gross revenue insurance program) program in Saskatchewan costs us over $150 per taxpayer, while in Ontario and Quebec it is less than $5 per person.

(1445)

Every Canadian benefits from a low-cost food policy in this country. Agriculture is a federal responsibility. But what is more difficult to understand is when our farmers are in competition with other countries whose national treasuries support their farmers, our federal government is offloading to the producers and the limited treasury of our province.

Even more recently, Ottawa has the nerve to make even more cuts to transportation subsidies and announced a further cut to equalization payments. And not content to leave it at that, they want the $100 million they gave us last year back. Add this on to the other $540 million we are short this year due to federal program cuts, it makes you wonder who is the federal government interested in.

It is time that there is renewed national commitment to our farmers and new national programs that meet the needs of the 21st century. Mr. Speaker, I am pleased to support our intention to withdraw from GRIP in two years time. I heard over and over from farmers that this was a short-term program headed for termination. It was based on a 15-year rolling average destined for less support with only premiums to pay; a program where 40 per cent of the payments were paid to 20 per cent of the farmers.

Mr. Speaker, as I stand here today I'm here to tell you that this budget is the best thing for our farmers

because we are striving to make things better for our farmers, farm communities, and rural communities. We are working directly with a farmer-appointed committee, the farm income support review committee, to design in partnership with the people of Saskatchewan a safety net program that works for and with farmers.

We are actively seeking ways to make access to rural programs easier for the farming industry. We need new, more effective federal-provincial farm safety net programs geared towards recognizing costs of production, possibly capping, but above all designed to provide farm families with long-term income security. Mr. Speaker, Saskatchewan farmers realize this and they want us to lead the way.

We are seeking to ensure our rural communities' survival by involving them in the process of rebuilding this province. We have introduced an outline for discussion entitled "Forging Partnerships in Agriculture." We are consulting with farmers, communities, business, labour, and cooperatives to secure our future through a self-reliant, sustainable agriculture industry.

We are proactively making sure that those who want to be heard, that those who have ideas for the future of this province have a voice. Because, Mr. Speaker, we know that the survival of our province is dependent on agriculture. If only the federal government recognized what is so obvious to us.

Some Hon. Members: Hear, hear!

Ms. Bradley: -- If they did, we wouldn't be placed in the humiliating position of having to beg for what is rightfully ours, for what was promised to us, for what was held out to our farmers as a carrot for participation in a GRIP program. We wouldn't have to be begging for our third line of defence. And we wouldn't have to be begging for the federal government to fix the quality factor for grading wheat. We wouldn't have to be begging the federal government not to take barley out of the purview of the Canadian Wheat Board. We wouldn't have to be begging the federal government to not change the method of payment.

In the mean time, I support our government's urgent message to press Ottawa for the third line of defence. Mr. Speaker, our farmers need cash now. I call upon the farmers of Saskatchewan to work with us in partnership as we take leadership in preparing a federal-provincial plan for sustainable agriculture, a plan that will secure the future for our farm families.

Mr. Speaker, just as the member from Prince Albert Carlton reported about his dam project, I also have my own dam project to report upon -- Rafferty-Alameda. On the south-east corner of my constituency, rests one of the biggest fiascos in Saskatchewan's history -- the tail-end of the Rafferty-Alameda project. This project moved more dirt, rearranged more rocks and chopped down more trees and wasted more money than any project ever, all of course with no lasting effect unless we can count the negative environmental impact on the area.

Rafferty-Alameda will be in perpetuity a monument, or rather a tombstone, to the previous administration's economic vision. Their motto was: spend big, get nothing, no jobs, no infrastructure, no lasting economic benefits, just a mud puddle, twenty-one hole golf course, a park without trees -- some legacy.

Mr. Speaker, this budget is not about megaprojects, megaprojects and puffery; it's about jobs. It presents a plan to create jobs and strengthen the economy. And the plan is quite sensibly built around the real engine of our economy -- our co-ops and small businesses. As the Associate Minister of Health said in this House some time ago, the best social program is a job.

Over the past 10 years two-thirds of all new jobs in Saskatchewan were created by small business and co-ops.

And, Mr. Speaker, we need to remind ourselves that if businesses flourish and provide jobs, those jobs will go to people in the community, which will in turn serve to stabilize the community. Like many others, my constituency depends on agriculture and on small business for its survival. So I am more than pleased to see the support for business offered in this budget.

There are a number of items to note. The further decrease in the small business corporation income tax rate. The addition of $1 million to establish community-based, regional economic development authorities to promote development at the community level; improvements to the Saskatchewan labour sponsored venture capital program. And there are tax credits and reductions which allow small businesses to create new jobs.

Another good-news item -- especially for constituencies along the United States border like Bengough-Milestone -- is that we recognize the pressure that cross-border shopping is having on our small businesses, in particularly our hospitality industry. It's good news for Bengough-Milestone that we have an agreement with the federal government to collect tax on cigarettes and liquor commencing July 1, 1993. And we will continue to negotiate an expansion of collection of taxes on other products as well.

There is more good news in this budget for our economy for now and for the future. Even though we are faced with limited revenues, the government will provide $162 million for improvement of our infrastructure. That too means jobs. When you add the $520 million to be invested by Crown corporations on capital projects, that's nearly $700 million. Seven hundred million dollars invested in maintaining our quality of life through improvement of services. Most importantly, these infrastructure improvements will provide jobs and attract new investment.

Mr. Speaker, one of the great scientists of the 19th century, Thomas Henry Huxley, once said: logical consequences are the scarecrows of fools and the

beacons of wise men. One of the logical consequences of the fiscal nightmare we inherited from the members opposite is the need to make do with less, far less, and we are doing that.

And, Mr. Speaker, I suppose there are two responses to this fact of life. We could act like the members of the opposition and wave old clothes and straw at the deficit and hope it goes away by itself. We could be scarecrows or we can do the sensible thing: we can look at the programs government offers, we can look at the resources we have to deliver those programs, and we can then decide how best to marry those programs and those resources. We can use the beacon of common sense and necessity. And if we approach this process with a completely open mind and a firm grasp on reality, then we can arrive at a consensus of what programs are absolutely vital and in what form.

This is a tough exercise brought about by 10 years of economic foolishness. But in the long run it's going to be a very valuable exercise for the government and for the people of Saskatchewan. Out of necessity will come programs and delivery systems that are more efficient, more responsive to local needs, and more directly related to their financial capability.

The government reorganization announced as part of this budget is an ongoing process begun in November of 1991, and it will continue through the first term of this government. It will work because it relies on the good sense and the talent of the people it is designed to serve.

Mr. Speaker, government bureaucracies are like any other organization; in a way, like any other organism. They exist for a certain purpose. And as that purpose becomes more complex, they grow, become more complicated, become larger. With my background in biology, I understand something of the way organisms develop over time for their own preservation. Sometimes they get too big for their own good, sometimes too cumbersome for their own survival; in organizational terms, too large and unresponsive to be affordable.

To a great extent, that is what has happened to government over the past few years. And it has to be cut back, pruned for its own good and for the good of those who depend on it. This reorganization includes bringing all agriculture programing into one department, coordinating programs for municipal governments, both urban and rural, working together; consolidating education and employment programs and uniting environmental programs and natural resource programs to promote sustainable development. It sounds good because it makes sense.

This government reorganization is sometimes painful in some ways. No one enjoys the necessary loss of jobs involved and we are all somewhat uncertain about how new systems will work. But we do know for sure that the old systems would soon fail to work. Change is necessary and it is happening. The changes brought about by this reorganization in Health, in Education, in Community Services, in Rural Development, in government bureaucracy, will be for the good of the people of Saskatchewan because they are being made for and in the spirit of the people of Saskatchewan.

The logical consequences of these changes will benefit the people. I am proud to be part of a government with this courage to make them.

Some Hon. Members: Hear, hear!

Ms. Bradley: -- Mr. Speaker, this reorganization cannot be done by government alone. We must call on all of the Saskatchewan community -- health, school boards, universities, colleges, municipalities -- to help with the decision making.

I firmly believe in the community development model. I believe the model will make for the best decisions. It may be argued by some that this is offloading our responsibilities.. I do not believe letting communities help with the decision making is offloading. But rather, it's the act of a responsible government working in partnership with those communities.

I am not denying, faced with the fiscal reality, that these decisions will not be easy for our local communities. Of course they will not be easy. But I have the confidence in the ability of our communities to respond to these difficult fiscal restraints with better solutions than decisions made only at the top.

Possibly our opposition members have difficulty believing that with cooperation and community development we can build Saskatchewan together. They possibly cannot believe this because they are still set in their old ways -- a course of divisiveness, pitting one community against another, rural against urban, and people against people.

And, Mr. Speaker, I must just give some added reflection to this for just a moment. Just a few days ago, a Progressive Conservative newsletter sponsored by the member of Souris-Cannington appeared in my constituents' mailboxes. It again reminded me of the divisiveness and the fearmongering I fought against in the last election. And maybe I should remind members opposite that these tactics, the people of this province were and are sick of. The people of this province clearly spoke out and rejected these tactics in the last election.

(1500)

I hate to lecture the opposition, but when I taught elementary students, I told them a mistake is not all that bad if you realize a mistake is an opportunity to learn -- an opportunity to learn. I do not think the Progressive Conservative opposition have learned this fundamental lesson. It's obvious they have not learned from their mistakes as they continue to try to divide our communities.

So what did this letter tell my constituents? It had untrue guesses on what the budget might do. It left

innuendoes and fears. It tried to pit farmers against unions, because I happened to listen to SGEU (Saskatchewan Government Employees' Union) workers' concerns. It speaks of the removal of the fuel tax rebate, which did not happen. It speaks of a new hospitalization tax, which did not happen.

Let me remind the members opposite, and in particular the member from Souris-Cannington, even though you may not believe in community and cooperation, I feel it is unconscionable to try to instil fear, divisiveness, amongst people in Saskatchewan for your own political gain.

Some Hon. Members: Hear, hear!

Ms. Bradley: -- It makes me wonder who paid for this misinformation.

Now, Mr. Speaker, I do believe that the challenges our schools, our health districts will face will not be easy, but I have confidence in the ability . . . of their ability not to back away but to meet change with creativity and by working together to rebuild this province.

My constituents are not afraid of change, but they are afraid of drift, of letting desperate situations get worse again. My constituents recognize when there is a problem, they must act to solve it. They want their government to have the same fortitude and common sense. They want their government to be a beacon, not a scarecrow once again.

Mr. Speaker, in the town of Radville in my constituency there is a perfect example of people coming together out of necessity to solve a problem. They worked together last year and put their public and private school systems together on a trial basis. This was not easy and I'm sure they have encountered many difficulties. But by working together they faced the challenges and have come together in the best interests of their students and their community.

Change is not easy, but I firmly believe we cannot ignore it, but be part of it to make it positive for our community. I commend the people of Radville for their responsible actions.

I feel this is the same spirit of community and cooperation that will prevail in creating our health districts in our province. Again, it will not be easy; and yes, we know everything will not be the same. But if we meet the challenge at a community level, I have confidence that the best decisions will be made.

Mr. Speaker, there has been a great deal of debate in this Assembly over the wellness plan, and there will be a great deal more before The Health Districts Act is passed, as it most certainly will be. So I won't say a great deal about the wisdom and the appropriateness of this plan now, but I will say that it is the perfect example of reorganization for effectiveness, of securing our future through planning, contrary to what the member from Rosthern so plaintively argues, and so hopelessly.

The wellness plan improves our health system. It streamlines it. It brings it closer to the people because the people are in charge of it; eliminated duplication of services, and it will give the stakeholders responsibility for their own plan.

And the same argument applies to programs aimed at rural development. There will be better coordination of programs which will save millions of taxpayers' dollars while preserving vital public services.

And, Mr. Speaker, as a government I feel we are helping our community partners in their decision making by presenting a long-term vision to them. This is a budget which is more than a chapter, but a complete outline for this term. It announces third-party funding for two years and makes a commitment to no more major cuts to grants after '94-95 and no more major tax increases.

School boards and local governments, although preferring no cuts, respect us for letting them know in advance, which enables them to plan better for these reductions. And we will not be like the Alberta government who gave out a two-year plan, only to change it in the second year with more decreases.

I am proud to be part of a government which sticks by its commitment. What we say is what we mean. This type of long-term vision gives us and our communities the hope we need for planning for our future.

This budget puts our fiscal house in order, giving us the freedom to protect and maintain quality public services for Saskatchewan families. This government began that task last year with our first budget. In that budget we reduced operating expenditures by almost 4 per cent. And, Mr. Speaker, it is important to remember that we were the only government in Canada able to reduce our expenditures.

Government spending is under control. However, revenue shortfalls common to all governments in Canada have put pressure on the '92-93 deficit. But we have not been deterred. The '92-93 deficit of $592 million is 30 per cent less than in '91-92. In '93-94 our deficit will drop by 50 per cent to 296 million. And by '96-97 our plan will lead to a balanced budget. A balanced budget. This will be a great day for the people of the province of Saskatchewan. And, Mr. Speaker, we are committed to meeting this target. Mr. Speaker, I also believe that people of this province are committed to reaching this target.

Mr. Speaker, I commend our government for leading by example in these difficult choices. Since coming into office we have continued the freeze on MLA salaries; cut the salaries of cabinet ministers by 5 per cent; reducing allowances for government members with extra duties; freezing out-of-scope ranges in the public service; cutting communication allowances by 25 per cent; no appointment of legislative secretaries.

This year we continue to cut costs. Communication expenditures have been further reduced by 17 per cent -- a two-year reduction of 41 per cent. Staff

development costs have been reduced, saving $300,000. Leasing costs for office space have been reduced, saving 1.5 million. The reorganization of government departments I have already mentioned. We will also reduce the size of government operations by eliminating more than one-quarter of government agencies, boards, and commissions.

Mr. Speaker, this government knows full well that every dollar counts. There are hundreds of more ways, big and small, in which we have acted to cut waste and reduce inefficiency.

Social assistance cheques were redesigned, saving $18,000 a year in postage costs. Telephone listings for the Department of Education were consolidated for savings of $20,000. Computer contracts in the Department of Energy and Mines were renegotiated for savings of $30,000. Internal operations in the Agricultural Credit Corporation were reorganized for savings of over $1 million annually.

Our Crown corporations are also doing their part to cut costs. SGI (Saskatchewan Government Insurance) negotiated a volume discount postage contract, saving $138,000 a year. SaskEnergy consolidated office functions, saving $252,000. The Saskatchewan Property Management Corporation reduced spending on consultants, saving $123,000.

Mr. Speaker, this is to mention just a few of the cuts that we have done. We have acted on many fronts to meet the demands of Saskatchewan people for a more responsive, more effective, and more efficient government.

Mr. Speaker, we have also had to make difficult choices with respect to programs that we provide directly as a government.

The question we had to ask: can we afford this program not only this year but in future years? One such program was the Saskatchewan prescription drug plan. A constituent of mine said: if we cannot afford it, we can't have it. He was right. We can't afford the drug plan if it remained unchanged. With the increase in costs of drugs due to our loss of ability to bulk purchase at a discount price, the extended patent protection, and increasing use of drugs, the drug plan costs would have risen to $110 million within two years.

But we did not just decide to get rid of the drug plan. We realized we needed to change it. It was changed and with compassion. It was changed so it will be affordable today and tomorrow.

It is with compassion that I support this budget. It is the compassion and direction I feel that is key to our budget. The dental program is being terminated on June 30, 1993. But we are starting a targeted education, screening and referral program, including full treatment coverage for low income families.

And, Mr. Speaker, what I am most encouraged by is that we are funding two projects involving school-based services, one that will be in a rural area and one in an urban area. These services will be delivered by district health boards. If successful, they will be expanded in the future.

With compassion we have made choices. I commend the government for adding protection for those most vulnerable in our society: by increasing payments under the Family Income Plan to help working poor families; $18 million to benefit children, including hunger programs, child care, and dental coverage for low income families; increased funding for in-home therapy and support services to families in crisis; increased funding for home care services by $43 million. This truly is deficit reduction with a difference. It shows compassion.

In summation, this budget is tough. It is filled with difficult choices. It is a budget that should not be judged on individual decisions but as a collective plan to secure our future.

We must remember, there is no joy in cutting grants of school boards or health boards. There is no joy in increasing the E&H (education and health) tax by 1 per cent. There is no joy in cutting programs or services. But there is hope -- hope that we have presented a plan to create jobs, strengthen our economy, protect public services, and balance the budget. A plan to secure our future.

Mr. Speaker, I'd like to remind the opposition, this was our campaign promise to the province of Saskatchewan. I campaigned, as did my colleagues, on first things first -- common-sense financial management. And that is what the electorate wanted and that is what we are presenting.

Some Hon. Members: Hear, hear!

Ms. Bradley: -- As I drove home the night of the budget, I could not help recall, as I said earlier in my speech on Friday, how in 1982 I worried about the future for my children. Well, Mr. Speaker, as I drove home in 1993, I know we have not put our heads in the sand.

I know the budget is difficult and we are facing many challenges in the journey ahead. But I know with the support of the people of this province, we can see the light at the end of the journey. We are uniting to rebuild this province. And yes, Mr. Speaker, we are on our way to guaranteeing that all that we enjoy today is passed on to our children and our grandchildren.

Some Hon. Members: Hear, hear!

Ms. Bradley: -- Mr. Speaker, a tough budget, yes; a sacrifice, yes. But this is also a budget of hope and promise. It's not only about getting out of a hole, it's also about hitting the ground running once we're out. In other words, for the first time in years, there is cause for optimism in Saskatchewan -- cautious optimism, careful, measured, small-step optimism; but optimism nevertheless.

Some Hon. Members: Hear, hear!

Ms. Bradley: -- There is a plan presented here and it is a workable plan. It's a plan that will create work. It is a plan that will finally allow the fruits of our labours to stay here in Saskatchewan. It is a plan to eliminate debt and restore hope. I am happy to support this budget because, Mr. Speaker, it moves towards securing our future.

Some Hon. Members: Hear, hear!

(1515)

Mr. Draper: -- Thank you, Mr. Speaker. Sir, it is with considerable trepidation that I rise to speak in support of this budget.

I have to repeat what I said at this time last year: this is not the kind of budget that a New Democratic government likes to bring down. It flies in the face of all the principles that we stand for except for one -- competence.

And for that virtue, I have to congratulate our new Finance minister. This is a very competent and a very fair budget considering what material she had to deal with. She has plied her tools very successfully and very skillfully.

Now over the past couple of months, I've heard the Premier refer the . . . use the term "amputation." Now, as to one trained in surgery, that really strikes a chord and brings back memories. I've had to amputate limbs on more than one occasion, sir, and I've never found it easy. Not because it is technically difficult; it isn't. But it is never easy to make the decision, the decision which precedes the incision. It is never done except after a great deal of thought and weighing of all the possible alternatives. Even then, it is always done with regret. Unfortunately, it is sometimes essential to sacrifice a finger in order to save an arm, or to sacrifice a leg to save a life.

The advantage of surgery over politics is that one never faces an incompetent and envious fool across the table, someone who's prepared to do everything in their power to prevent the saving of that life, as we do here, sir.

The satisfaction of a job well done does not come in surgery for several weeks when one sees the resulting healed and healthy body, sir. In politics, as now, that satisfaction is delayed for several years. Nevertheless, sir, that time will inevitably come.

In 1996, sir, when the provincial body politic is out of bed, out of hospital, and marching forward to a healthy and prosperous future, sir, we shall be vindicated. In the mean time, sir, we shall need our wounds carefully tended. We shall need all the financial medicines and nursing care at our disposal.

On Tuesday, March 16, sir, just two days before the budget, the previous premier told us in no uncertain terms that we don't need to raise taxes to balance the budget. Perhaps that, sir, is the reason he had nine deficits in a row while he was in power.

I do seem to remember a promise to get rid of the 5 per cent health and education tax, and I know that somewhere along the way it seemed to go up from 5 per cent to 7 per cent overnight. Two per cent in one shot, or 40 per cent when you compare it to the 5 per cent it previously was.

But perhaps that was not designed to balance the budget, sir. Perhaps that was designed as a gift to his rich friends or maybe even to finance the trips slumming around over Belgium in mid-air while other countries were communicating with each other.

Somewhere in the back of my mind, sir, there's a vague memory of a 1 per cent flat tax on income which again overnight doubled to 2 per cent. Perhaps the member for Estevan was distracted at the time and it slipped by without him noticing it. Memory can certainly play strange tricks, even to those who do have a mind.

I see in the press of late that the federal Finance minister is going to introduce another budget. Apparently his minibudget in December did not work. He claims that expenditures are on track but that income did not come up to expectations. The logical answer to that seems to suggest that he is contemplating raising taxes. But I may be wrong. It may be worth the air fare for this House to send the hon. member down to Ottawa to show Mr. Mazankowski how to balance the budget without raising taxes. I'm sure we would all appreciate that.

And I'm sure that the member for Saskatoon Greystone is going to get on her high horse and shout about tax increases. Maybe she will smugly point out that Newfoundland didn't raise taxes last week. But before she gets too apoplectic, I would like to point out to her that Clyde Wells jumped the gun in December and raised income taxes and levies on gasoline and tobacco then and there. A good Liberal economic policy.

And before she dumps on us for not being more generous with the SGEU and the civil service here, I'd like to remind her that Newfoundland's equally Liberal Finance minister is cutting $70 million from his civil servant's compensation package of wages, pensions, and other benefits in his budget given just an hour or two before ours -- not to mention the Newfoundland teachers or the Newfoundland and Labrador association of nurses.

An Hon. Member: -- What happened there?

Mr. Draper: -- Don't know. But I suggest that if the lady wishes to give advice, sir, I'm told that St. John's is at its best at this time of year.

Mr. Baker, the Newfoundland Minister of Finance, made a good point, which I would like to pass on to the hon. member from Estevan when he makes his historic dash to Ottawa to show how budgets can be

balanced without raising taxes. And I quote, sir:

> "The decline in transfer payments has placed a heavy burden on the province's finances and added pressure to our credit rating . . .

That, sir, applies not only to Newfoundland or only to Saskatchewan, but most of our provinces.

A headline in Saturday's *Leader-Post* right across the top of the page, sir, page A6 as a matter of fact: "N.B. premier applauds tough budgets." I quote Premier Frank McKenna:

> "We as Canadians should all applaud the courage and commitment that Premier (of Saskatchewan) . . . and Premier Clyde Wells of Newfoundland demonstrated in taking firm control of their financial situations . . .

That was said in the legislature so it should be in their *Hansard*. Laissez-faire, or perhaps laissez ne pas faire is struck another blow by another Liberal premier.

I'm told today, sir, that the Conservative MP (Member of Parliament) for my federal riding, Swift Current-Maple Creek-Assiniboia, stood up in the Commons today and congratulated Saskatchewan on the new budget. You know, if we're not careful, we're going to get into bad company this way, sir.

Sir, we're getting howls of protest from the opposition over this budget -- as always. Hypocrisy from first to last, and I can prove it.

In **The Globe and Mail** last week, Alberta Treasurer James Dinning was reported as saying that Alberta could not go on in the same way. In the heart of rural Alberta, he says, taxpayers are getting angry. There is discontent with government financial management, with Alberta's mounting deficit, and with hefty losses from ill-fated investments such as the $600 million lost on NovAtel Communications, which is even worse than Gigatext, sir -- in fact, worse than Gigatext, Canapharm, and plastic shopping carts all rolled into one and multiplied by ten.

Not in NDP (New Democratic Party) Saskatchewan, sir, or even NDP British Columbia, but in the Tory heart of the West, sir, that paragon of all virtues, Progressive Conservative Alberta.

I quote again: We are on the road to becoming a fiscal basket case like Saskatchewan, says the executive director of the Association of Alberta Taxpayers -- not the Association of Saskatchewan Taxpayers, but the Association of Alberta Taxpayers.

And who turned Saskatchewan into a fiscal basket case? I'll tell you, sir. They did, over there, those basket cases on the other side of the House. But maybe the Liberals could do it all better. Oh yes, sir.

But how about a few quotes from that bastion of Liberal government on the east coast, the Premier of Newfoundland and Labrador, from a speech from Clyde Wells who took 30 minutes on TV to tell his population the mess that he had got the province into, to explain why he could not give the Newfoundland teachers a raise in salary. And later he told us why he had to reduce them in actual fact.

Now he didn't take over from a corrupt Tory regime, sir. He and his government got themselves into that mess. And now they've got to get themselves out again.

And now no less a person than Finance minister Donald Mazankowski in Ottawa tells us that his December minibudget has failed. I quote: ". . . revenue figures have not improved as we had hoped." Again: "What we have to do is present a plan for dealing with the deficit . . ." Oh dear, oh dear. This from **The Globe and Mail** of March 9th.

But they're speculating that he won't introduce a new budget until they select a new leader to succeed you know who, sir. They're scared that the cuts required to undo the damage they've done for the country will interfere with the leadership campaign and hurt the federal government's already low popularity. Oh the pity of it all, sir. My heart really bleeds for them.

It shows you where their priorities lie. The country can continue suffering; that doesn't matter as long as the Tories in Ottawa can continue to live in their little fool's paradise, their little make-believe world. And who caused the pig's mess that required a second budget in three months? The same primrose league as who sit opposite over there.

Mazankowski and his cronies weren't dropped into that mess either, sir, in the way we were. They have spent nine years creating it. And they clanked around the country like so many Marley's ghosts, shaking the chains they forged link by link over the past nine years crying, woe is me. Unfortunately his woe is ours, sir. And after the next election, without too long delay, they'll be grovelling like that ill-begotten crew over there saying it really wasn't their fault.

At the Saskatchewan Association of Rural Municipalities early this month, Don Black, the president of the Investments Corporation, said government bonds across North America are approaching junk bond quality. Not Saskatchewan bonds, sir. Not even Canadian bonds, but North American government bonds. That's a pretty strong statement and a pretty broad brush.

And this government has started to do something about it. We started in October 1991. This government saw the writing on the wall. We read, and we understood the "MENE, MENE, TEKEL, and PARSIN." We took note and we acted. The reference is to Daniel; you'll find it there in your Bibles.

We have cut programs, sir, and we've increased taxes. Both will hurt, but both were necessary. That's life.

Some Hon. Members: Hear, hear!

Mr. Draper: -- But I do have some reassuring words for our Minister of Finance and our Premier. They have told us how the number of firms prepared to lend money to us has fallen from 136 to 25 or so. Well a correspondent of mine has written to me with an anecdote about Robert Walpole.

Now Robert Walpole was the first Prime Minister of England, around about the 1730s, and he inherited a debt built up since the civil war in England in 1642 to '45, and then after the active union with Scotland, when Scotland came in, they had a lot of bills which they dumped at Robert Walpole's front door, and he had to deal with them.

And he boasted, sir, that he had found three companies that would lend the Crown money. He was delighted. Instead of one, sir, he had found three. If he'd found 20 backers like we have, he'd have been in seventh heaven, sir. And I'm sure this will cheer everybody up.

And another bit of good news, sir, while we're on the subject. I understand from those who can do their sums better than I that our debt is 2.4 times our income. Now I'm not sure if this holds true in Canada, but in Britain a person is able to finance a mortgage on a house or anything else if it does not exceed 2.5 times his or her gross income. If ours is only 2.4 times our gross income, sir, it looks like we're just going to make it under the wire.

I'd like to quote for you again, sir, an editorial from that famous New Democratic newspaper, the Regina *Leader-Post*: The Darlington Power Plant, for one, has become a boondoggle. Its initial price tag of 2.3 billion now a staggering 14 billion.

Obviously, sir, the writer has been listening to my speeches. This party recognized this before the election of 1991, and it's for that reason that we killed that deal -- the original AECL (Atomic Energy of Canada Ltd.) agreement -
_ that the Tories made in such a hurry.

Not only that. We've been able to open up the package and renegotiate it; not only have we been able to pick out the cherries from that packet, we've been able to spit out the pits and sell them.

This party has a long history of good financial management, right from Douglas, Lloyd, and Blakeney. We have kept costs down while increasing and improving services. Had we not inherited the disaster left behind by the previous incompetents -- or incumbents, as they prefer to call themselves -- we should be doing so under our present Premier.

(1530)

To quote once more from the same editorial in the same paper: failure to deal with change can carry a large cost that eventually has to be repaid.

Sir, not only are we in this government dealing with change, we and our predecessors have created change. We have directed change. This province has been the bell-wether of health care, education, social policy for all over Canada and now, sir, we are the bell-ringer, or in more contemporary parlance, we are acting as the whistle blower.

It was our leaders that told the world that the emperor's clothes closet was bare. It was us that admitted that the provincial treasury was in big trouble. Now every other government has taken courage and confessed.

According to Moody's bond rating agency, reported in that other socialist newspaper, **The Globe and Mail**, sir: In 1992-93, Alberta and Prince Edward Island -- for the sake of the member from Saskatoon Greystone -- are expected to experience the biggest increases in their deficits as a percentage of gross domestic product. P.E.I.'s deficit is expected to be the largest ratio of any province in Canada, thanks to the depredations under Joe Ghiz, that famous Liberal, sir, if your memory needed jogging.

In the same NDP paper, sir, the C.D. Howe Institute, that bastion of Marxist economics, is quoted as saying that the federal government is fighting its deficit on the backs of the provinces.

Further, sir, another quote: despite federal rhetoric, medicare has been one of the main targets of federal deficit cutting. Again, they're cutting cash transfers to provinces more than they are cutting their own programs. Last year offloading cost the provinces $1.7 billion in health care alone. And if MDS and other private labs are sore, let them look for the cause of that pain in the proper place -- Ottawa.

An economist at the University of Alberta accuses Ottawa of convenient accounting. He says Ottawa has violated, violated its contractual obligations by unilaterally cutting back. I think the chap must be a Bolshevik, don't you, sir?

Here again in **The Globe and Mail**:
Manitoba is battling a record annual deficit of almost $700 million. Another cry of *mea* **culpa**. They created it themselves with all the benefits of Tory incompetence. Mr. Filmon says Manitoba already has one of the highest tax rates in the country. Maybe it's time for an NDP government in Winnipeg to sort those guys out, sir.

It would help, sir, if the governments of Manitoba and Alberta, especially Alberta, those great friends of Ottawa, got together with the so-called opposition here, sir, and leaned on Ottawa a bit to lift that particular straw called the GST (goods and services tax) from the back of our already exhausted camel. Maybe that would help. Perhaps that could be the one redeeming thing they do in their death row, sir.

Now the difference between our government and those latter-day reformists in Manitoba and Alberta, is that we are cleaning up the mess that was left behind by Tories. Those wise men, both east and west of us, are cleaning up their own corruption. And good luck

to them.

On the other hand, sir, according to the Royal Bank of Canada, Saskatchewan's economy is expected to bounce back from an almost decade-long slump this year. Notice that, almost a decade, sir. That sounds very much like nine years to me. What a strange coincidence.

In 1993 and '94 our economy is expected to increase by 3.7 and 4.4 per cent respectively. And that's the Royal Bank of Canada, sir. The bank expects unemployment to fall by a full percentage point. And it says, not because more people are leaving the province, but because 18,000 more jobs are expected to be created over the next two years.

The Royal Bank expects average personal disposable income to increase 3.8 per cent in this province this year. They expect retail sales to rise 4 per cent this year, and surge -- and surge is their word, sir -- surge an additional 5.8 per cent in 1994. So there is good news, sir, and from very unexpected sources.

Even housing starts demonstrate our success. Again from the *Leader-Post*, the headline: Housing starts soar in Saskatchewan. But they're down in Newfoundland. They're down in Prince Edward Island. They're down in Nova Scotia. They're down in New Brunswick and down in Quebec. But they're up in Ontario, the only NDP province east of us. They're down in Tory Manitoba. But to complete the record and for fairness, sir, they are up in Alberta, but down slightly in B.C. (British Columbia).

If we cut programs, it is not because we want to. Programs cost money and we just haven't got any. The PCs (Progressive Conservative) gave it away to those who were so rich that they didn't appreciate it anyway -- people and companies that collect mines and oil wells the way some of us collect stamps or comic books, sir. They want the whole set. They've already had more than they can use, but the Tories gave them even more.

During the '70s, sir, prices were good, and governments owned for our people forests, oil and gas wells, and mines. And with the income, Allan Blakeney and his government didn't buy yachts in the Caribbean. They didn't buy condominiums in Hawaii. What they did buy was services for our people -- dental services for kids at school, pharmaceutical services, the drug plan. They imported chiropodists from Europe because we don't train them here.

They set up a hearing-aid plan when we found that we as a government provide hearing-aids that the door-to-door rip-off artists charge $300 for, for $34 -- a tenth of the price, sir. Where those crooks would sell anyone a hearing-aid or preferably two, our plan would give a proper hearing test. And if the type of deafness couldn't be helped by a hearing aid, they just wouldn't sell you one.

Had the NDP been in power during the '80s, maybe these services would have been continued and expanded. After all, it was our money, the profits from our companies owned by us, managed by us, and for our benefit. By now perhaps we may have given ourselves denture services and expanded coverage on spectacles. Nothing was impossible then, sir.

By now we're broke. Our wheat doesn't even return the cost of production, sir. Our mines are given away, and our oil and gas wells are owned by the eastern financiers, our forests donated to Weyerhaeuser. If our government could wring a couple of hundred million dollars out of those pirates after the deal was done and signed, imagine the price that we could have got if we had negotiated that deal in the first place, instead of the Santa Clauses living across the way there.

You know, when my wife and I immigrated to Saskatchewan a quarter of a century ago, we found it to be a land of milk and honey. And now it is all gall and brimstone. A few words by John Greenleaf Whittier come back to my memory, sir. He said:

> For all sad words of tongue or pen,
> The saddest are these: it might have been.

The opposition when in government, sir, seemed to be playing so many Mr. Micawbers, waiting for something to turn up. By now perhaps they realize that things don't turn up. Things have to be dug up. Work is required -- using that nasty, four-letter word that makes them cringe so much.

You know, when I took flying lessons over 20 years ago, my instructor told me, this plane will do one of two things. It will do what you let it do or it will do what you make it do. Through nine years of Tory managelessness, the economy drifted in whichever direction the wind blew.

Our ministers of Finance, the previous one and the present one -- they both deserve credit -- have grasped the controls in both hands and forced the economy to do what they want it to do. And that is the difference between managing the economy, sir, and running a soup and caviar kitchen for the super-rich. As I've said repeatedly, the fear of the opposition is not that we will fail, but that we shall succeed.

Not only is this a budget for '93-94, sir, it is a plan for '94-95, '95-96, and '96-97. The deficit is already down in '92-93. It'll be slashed again this year, as the minister has stated. It'll be down again next year and the year after that.

When we have a balanced budget, sir, three years from now, we can go to the voters and show them what we have done is what we have promised. And in our next term, sir, we shall truly be able to rebuild the services that are still here -- granted in somewhat skeletal form, but they're there nevertheless. We will flesh them out as money becomes available, as our economy improves, as it surely will. We shall cross the river, sir; we shall overcome all obstacles on our search for the promised land.

You'll have noticed, sir, that we have already passed the gravy train that *The Globe and Mail* tells us went off the rails. It's lying there in the ditch rather sadly, hissing feebly with its wheels in the air, spinning aimlessly. Why? You'll notice, sir, that the train was pointed in the wrong direction anyway.

We don't have a train, sir, and for a while there's not going to be any gravy. But we have a caucus that has strong backs. We have a splendid cabinet that knows the direction we need to go in. A sled or a wagon will carry the load. That'll do. Our ancestors used them before us. We've enough wheat and cattle that we can live on bread and beef. Saskatchewan will survive and will ultimately prosper. And, sir, with this budget we're really on our way. Thank you.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. I appreciate the opportunity to make comment today about the budget which was delivered last Thursday by the Finance minister.

I, like many Saskatchewan residents, have spent the past few months wondering what the government had in store for us. After seeing this budget, I must concur with the many people with whom I have spoken who tell me that it is far from brilliant economics but it should get an A for political manipulation.

Hundreds of hours of high-priced government time were spent on an exercise of promoting the worst case scenario so that people would not be too upset to see tax increases. And the government did a pretty good job of it for all the wrong reasons. The Premier's pre-budget road show not only cost taxpayers money, it cost many people confidence in our economy at a time when it was so desperately needed.

Since then, in what I consider to be a feeble attempt to cover their tracks, they have accused me as well as the official opposition of spreading gloom and doom. I truly wish for the day when they realize that the taxpayers are watching and they're listening and they are not going to be fooled by the government's accusations or their budget.

So what do we have in this expensive document? Well it starts off with 20 pages from the minister, 20 pages which tell us about difficult choices from the perspective of government, a government which compares itself to a household earning $50,000 and having debts of $125,000 and is still spending more than it is earning.

This is interesting because that is exactly the position of many Saskatchewan families, where families find themselves today as they struggle to pay off their mortgage and meet monthly expenses while the government, this government, keeps adding to those expenses with no regard for the fact that people's incomes are not rising to keep the pace.

(1545)

On the very first page, Mr. Speaker, the minister has already illustrated the failure of her government to see the problems it is creating for Saskatchewan people. If we are to read this budget as though we're one big happy family trying to deal with the problems left to us by our Conservative parents, then our big brothers in the NDP had better understand the first basic premise: sacrifice the size of government first, the quality of people's lives last.

Why didn't the government start off by telling people of its diligence in reducing the cost of government? I recognize that it is not the single greatest expense, Mr. Speaker, just like government knows that an extra 2 cents per litre on fuel doesn't seem all that important. But people want to see that the effort has been made.

The Premier has been travelling our province at the people's expense in the last few days, saying, show me where I could have cut deeper. So let's talk about that this afternoon.

Herein lies one of the major disagreements that I have with the approach of this budget. There has been approximately 16 months since this government took office. During that time we've had two budgets, two Finance ministers, and more than 200 days of sitting in this House as elected representatives. That has cost the people of Saskatchewan $29 million.

That cost includes of course the salary of the Premier, his allowances, per diems, support staff, and other payments. It includes the cost of an expanded cabinet, their staff, their salaries, and those of the 36 people who keep the back benches warm in case the government requires a majority vote. The cost of clerks and staff to run the Legislative Assembly, all of the other members, and that cost of course to run the Legislative Assembly, of the clerks and staff, is some $3.102 million.

How much of that money was really spent amongst all of us discussing ways that we could save the taxpayers money? Not very much, I know.

Have a look at page 88 of the **Estimates**. The government reduced the cost of the Board of Internal Economy by $6,000. And I congratulate them and say that's very good. But they increased the general administration costs by $45,000. That could have meant one less pink slip, Mr. Speaker, one less pink slip somewhere else, or two or three pay cheques for people in the private sector. Maybe $45,000 that could have been spared that affected some school somewhere.

They raised the cost of mail and photo services. And that's only a thousand dollars. But that might have fed a few hungry children in the province of Saskatchewan. I know it's not much, but like the saying goes: look after your pennies and the dollars will take care of themselves.

Now moving down to item 3 on page 88, the government increased the cost of the Legislative Assembly services by $8,000. Now I realize that they

anticipate a longer sitting year this year, but did they solicit input regarding how and what to be able to reduce?

Committees of the Assembly cost an extra $24,000 this year. And yet the Standing Committee on Agriculture has never met once, Mr. Speaker. Not once in some very, very tough times for farmers.

There was $3 million spent on policy development in agriculture. Yet the 66 MLAs in this Assembly never got together once, not even a smaller contingent of people -- not once -- to talk about it in committee.

The Constitutional Committee cost us money last year, and it doesn't even exist any more.

So why haven't the costs of committees gone down? The government did manage to chop some $26,000 off the cost of allowances to MLAs, which works out to be a grand total of $393.93 per MLA. That's just over a dollar a day for each of the 66 people in this House.

Now I know the members calling out, Mr. Speaker, are commenting on the fact that I have requested some funds for my office. And I would like to make comment that one of the speech writers for the Premier of this province probably earns a greater salary than the entire sum given to my office. I think that if they're worried about the kind of opposition that they might be able to get, they probably have good reason to feel that way.

The most important thing here is that the government needs to have taken more time to look at what they could do before taking more money out of the hands of the people of our province.

The government took some monies out of their caucus grant, which is commendable. Unfortunately when all was said and done, the cost of running this legislature increased by $18,000, which is the average income of a Saskatchewan farm family, Mr. Speaker, and the total, the grand total came to $15.336 million.

The point I am making is that people don't have any reason to believe that government started with itself. They are making expenditures which do not seem necessary to anyone who is outside of government.

Now let's look at the Electoral Office. An increase in wages this year, a non-election year, to $239,000. Now on top of that, the taxpayers of Saskatchewan have to give another $507,000 as far as expenses are concerned. Now are we having an election that the people don't know about? And if not, why does this department need an extra $36,000 in salaries to operate?

Executive Council -- here's a department whose mandate is, and I quote:

> . . . to provide organization and record keeping services to the Premier and Government. It also (lends). . . support to the Premier in his roles as:
>
> Head of Government; Chairman of Cabinet; Chairman of Planning and Priorities Committee; and, Head of the political party with the mandate to govern.

Now part of the Executive Council as well is media operations of government, which is an added expense to taxpayers. Its mandate is to:

> . . . prepare and distribute news releases and summaries. It also operates the radio and television facilities for news conferences . . . and advises on the preparation of news releases and summaries.

And by the way, Mr. Speaker, this job is also shared by the many, many people who work for the ministers and work for the caucus.

I find it very interesting to note that the overall operating expenses of Executive Council were trimmed by a whopping 1 per cent, while the total amount of money paid to members of the Executive Council went up by how much? Forty-seven per cent.

So this is a government that started at the top. If one includes the cost of running the Legislative Assembly and the Executive Council, the overall cost was $16.215 million in 1992. In 1993 costs were reduced to 16.082 million, a hugh reduction of not quite 1 per cent. Now ask me why people who speak to me every day are cynical.

The Provincial Auditor doesn't get any more money, the one individual to look at ways in which we can cut costs. But the Provincial Secretary, the member from Regina Dewdney, whose mandate is, and I quote:

> . . . to coordinate and manage intergovernmental relations, protocol services, communications policy and French-language services. (As well as) . . . the Office of the Lieutenant Governor, the Legislative Building and the Wascana Centre Authority . . .

Had a budget of $5.8 million in 1992. But, Mr. Speaker, 1993, it goes up a million dollars. How? The cost of protocol was cut, the cost of French-language coordination was cut, the cost of maintaining Wascana Park and the legislature was cut. The Lieutenant Governor's office did not get more money and the constitutional and intergovernmental affairs took a cut.

What went up, however, Mr. Speaker, were the administrative costs of the Provincial Secretary. The budget for communications went up by $10,000. The budget for offices, mail records management, and renovations went up by $562,000, and the cost of salaries and operating expenses went up by $834,000. The overall budget for the Provincial Secretary jumped by over $1 million. We just closed a school, a neighbourhood school in my constituency in Saskatoon to save $150,000.

Mr. Speaker, the people of Saskatchewan understand,

as I do, that these are not the magnitude of the savings needed to get us out of debt. But they are signals. They're signals that people have been waiting for in order to judge their elected officials, in order to judge their government on its commitment to eliminate waste and mismanagement.

How can we believe a government which is telling us it is trying to do the most it can with the least of our tax dollars necessary? How can we believe them when they tell us that they are acting in the people's best interests?

On page 74 of the budget, the Indian and Metis Affairs Secretariat will cost us $36,000 more in salaries to operate this year than last. The physical operations for the department will cost 55 per cent more than last year -- a $106,000 increase.

Now the interesting thing here, Mr. Speaker, is this. This is a very interesting thing. The programs operated by this department, the programs to fund Indian and Metis organizations for the development and provision of services, including employment opportunities for their members, has been cut, cut by 45 per cent or $300,000.

How can a government that claims to care about people, claims to support the empowerment of aboriginal peoples, a Premier who represents a constituency in which these programs are so necessary, make a move to cut programs by 45 per cent while increasing the cost of the department which administers the monies by 55 per cent.

I don't have the time, nor do I have the staff to scrutinize every expenditure in every department, but I'll tell you something -- I'm getting around to it. To all the government members keeping the back benches warm, I can only say, shame on you. How can they sit idly by and not ask these questions of their Minister of Finance and their leader, the hon. member from Riversdale?

And have they become so sensitized to political rhetoric and doom and gloom that they cannot rise from their seats and ask these simple questions on behalf of their constituents, the taxpayers of this province? How can they watch the Premier on television, watch the cabinet ministers and the Minister of Finance travelling around this province, claiming to have made the hard choices, when they know that they have actually been deliberate in their choices to make unnecessary government spending not a priority?

Now I know that someone in the back benches will be handed a canned speech which will say how naïve I am to think that we can pay off the deficit by eliminating these few hundreds of thousands of dollars. Well I have news for them. I've heard it before. Part of my job and part of their job is to point out every inefficiency within this system, every single inefficiency, until we get it squeaky clean, efficient, and effective.

This government wants to talk about a partnership. That is what people expect of them. They expect of them to participate fully in the process. People do not support paying one more dime of taxes to their government until this income abuse is stopped. People fortunate enough to have jobs want to know that their representatives have done away with everything they can before asking for more. And they, like I, believe that if these few hundred thousand dollars in oversights are so easy to spot, then there must be more once one digs below the surface.

Can they honestly tell people in this province that after raising the cost to businesses and private citizens for telephone, power, energy, and motor vehicle insurance, the most they could come up with to apply to the deficit from CIC (Crown Investments Corporation of Saskatchewan) was some $40 million? I believe that people would like to have the members of the Gass Commission or some other independent body tell us what they think is the reasonable projection for earnings from CIC and what percentage should be dedicated to debt reduction.

The government has just invoked some new taxes and tax increases that are going to cause some real trouble in our economy. In fact this is not gloom and doom; it's reality. Unfortunately the government members seem to have had their vision for our province affected by so many days of looking through smoke and mirrors. Let me give them a clear look through the eyes of some of the people who have been watching their government the last few days.

(1600)

On Thursday morning I got four calls, four phone calls about the 9 per cent tax on clothes. Three were from women -- this was Friday morning -- three were from women who said they would be shopping in Alberta. The fourth was from a Saskatoon clothing store whose owner wanted to know why the NDP MLAs in Saskatoon aren't speaking out against this budget.

Being a Saskatoon MLA, I told her where I stood. But, Mr. Speaker, I can't seem to tell where some of the others are coming from. Other than the Finance minister and the Premier, I haven't heard too much public endorsement of this budget from the Saskatoon MLAs.

On Saturday in fact I went into a shop in the constituency of the Minister of Social Services. The owner told me that she had actually told the hon. member from Saskatoon Broadway what would happen as a result of the increase in the sales tax. It seems the NDP with one wave of its wand has changed that one business from a clothing store to a closing store.

I wonder how many others there will be, how many other jobs will be lost until the government realizes that just like the last time, their numbers aren't going to work.

Mr. Speaker, it reminds me of a story, and I think we

need a little levity right now. There is a new minister I had heard of who was wanting to hire a new staff member. And so the new minister was down to the last three candidates for the job -- an accountant, a lawyer, and a person who had worked as a government official in economics for some time.

The accountant came before that minister and the new minister had asked a long, involved amount of questions and finally said, I have the most important question, the most important question: what is two plus two? And the accountant says, four. Well the minister said, I've really appreciated our interview; I think you've done a great job and I'll be getting back to you.

The next person comes in, the second person in the final group of three, and it's the lawyer. And the new minister has gone through all of these interviews and finally states to this lawyer, I have the last and most important question to ask you: what is two plus two? The lawyer leans over, looks around, and said, well I believe it's somewhere between three and five. Well the new minister congratulates this candidate and says how much that they've really enjoyed interviewing this person. He says, I'll get back to you.

In comes the last candidate, the last candidate is interviewed, and the final question comes from the minister, the most important question according to the minister: what is two plus two? And the government official says, what do you want it to be?

And that's part of the concern. How can we really trust what the numbers are, Mr. Speaker? How much do you want it to be?

Mr. Speaker, the Minister of Finance seems to have overlooked a lot of things -- overlooked the fact that there are 60,000 farm families in Saskatchewan trying to survive a serious crisis in agriculture. After 16 months in power, after spending more than $30 million to operate this Assembly for two years, after spending more than $3 million last year just on the policy and planning arm of the Department of Agriculture, guess what? I guess there aren't 60,000 families any more. I think I stand corrected; I think they're down to about 54,000 in the province.

But 60,000 or 54,000 families in our province have no idea whatsoever as to what is happening with farm support programs for the long term. But I'm sure that everyone will feel a whole lot better knowing that the Department of Agriculture is going to spend an extra $33,000 this year on statistics. Why not put that money on the table? Why not put that money on the table to facilitate discussion amongst farmers, farm families, about what might solve their problems. Allow people in this legislature who have ideas to bring them forward to the people of our province. Allow other people with ideas to bring them forward and have some really valid discussion, instead of $33,000 on statistics.

When is this government going to start spending money more efficiently to arrive at solutions that make sense to people? When, Mr. Speaker, is the NDP government going to put all of those people to work over there in some meaningful way to find out what is being done wrong in this administration and what can we do better?

Mr. Speaker, perhaps one of them, just one of them would like to try to answer this question: how can a government expect people to believe that it knows an economic opportunity when it sees one when the same government increases the tax on gasohol, which has ethanol in it, in this budget? Why on page 22 of the budget would the government show that it has doubled the amount of money to support development of the agricultural industry when it doubles the budget for ethanol for 1.6 million to 3.2 million. Why would this government then turn around and add a deterrent to purchase gasohol by offering an incentive to purchase propane?

Mr. Speaker, parts of this budget may look good on paper, but it just is not going to happen in the real world. The tax revenues are not going to be there again. Revenues raised through taxes on farm inputs are going to fall short. Retailers will be pressured to cut costs and lay off staff in the wake of more cross-border shopping. It happened last time. All you have to do is look at the facts.

Why would you believe that adding a tax to adult clothing and shoes won't increase the problem? This government does not seem to understand that having people leave to buy clothing and shoes means more than that. It means that they're going to stock up on others items as well, items like cigarettes and alcohol.

The previous minister of Finance stood in his place and gave a pat response every time I stood up and said, don't you realize that when you increase taxation on such things as alcohol and cigarettes that it's going to likely increase smuggling? His comment was a flippant: prove it. Now the present Minister of Finance now reports that she didn't raise taxes on cigarettes and alcohol. Why? Because they feared smuggling.

Now it leaves one wondering if the member from Regina Dewdney has received information from the Minister of Finance that has proved what was said even a year ago. I've had numerous calls from people who say that they're going to be doing their shopping elsewhere, particularly this coming Christmas. That means disposable incomes spent not only on shopping, money spent on hotels and meals and gas during the trip. This is money that will not be spent here in our local gas stations, our local restaurants. Money that will disappear not only from the bottom line of this budget, but from the bottom lines of Saskatchewan business people.

This budget document, produced and distributed at considerable expense, is based on some very, very major leaps of faith. It assumes that potash prices are going to go up. It assumes that our dollar is going to remain competitive against the American dollar. The budget also makes assumptions about the fact that

people in our province will be able to find work. It assumes that those working will see their incomes rise by .5 per cent.

And how is all this substantiated? Well why should we believe it? There are many charts and graphs which refer to the tax-supported debt per capita. All these assume that people are not going to leave Saskatchewan over the next while. All of the income tax projections assume that the trend which saw thousands fewer people working this year has nothing to do with people moving, being unable to find jobs, or ending up on welfare. If projections are done without taking those trends into consideration, Mr. Speaker, we are in trouble all over again.

Last year the NDP took more than $500 out of every family's budget through sales tax and gas tax, as well as increased utility and insurance costs. This budget seems to be based on the assumption that people have increased their budgets and that another $500 hit-plus on those same families will not have any impact at all on their consumer buying power. Yes, Mr. Speaker, this budget is rife with assumptions.

It assumes that interest rates will continue to decline, that federal offloading will stop, and that it's going to rain on our crops. While I agree that none of those things are within our control, none are within the control of our government in our province, just as potash prices aren't, oil prices or the price of grain; having reasonable expectations and a contingency plan is.

This administration has placed far too much emphasis on painting Saskatchewan in shades of grey and black, and far too little time focusing on the generation of wealth and industry in Saskatchewan. Sales tax incentives to business are very hollow offerings at a time when profits are only a dream for many entrepreneurs who are struggling just to pay the bills and hoping for a wage at the end of the month.

Mr. Speaker, the Premier and the Minister of Finance have both publicly stated that this budget is a long-term plan. But municipalities are being cut back over the next few years and will undoubtedly pass their misfortune on to whom? To the only pockets there are -- the taxpayers -- crudely disguised as provincial and federal taxpayers, hoping that our local governments won't notice us until the provincial debt is eliminated on the backs of municipal ratepayers.

And yet, in spite of making everyone from local health boards to municipalities to retail clothing stores appear to be the bad guys, the government has made two grave and fundamental errors. This government, Mr. Speaker, has not swept the corners of its own house. It has come down heavily, very heavily, on the people of this province who are already bending under the weight of the tax burdens they face.

And the second grave error is that it has asked people to accept the word of a government which has deceived the people on many occasions. Asked the people to accept the word of politicians that these numbers will be met and that no more taxes are going to be needed in the future.

Well I have three suggestions for this government. Have another look in the corners and put your promise in writing.

I urge you to empower the Provincial Auditor to strike an independent body along with the employees to conduct efficiency and productivity audits of every government department, and to question every line in this budget where savings can still be made.

I also urge this government to put whatever credibility it may think it has on the line and to legislate its promise, its promise regarding taxation, through a taxpayers' protection Act to give people the confidence in the government that it seems to think that it should have in its budget.

Furthermore, commit yourselves, with a deficit reduction Act, to true deficit reduction.

If the Minister of Finance will commit to doing these three things, then I, along with the people of this province, I'm sure can support this budget, subject to the changes recommended by efficiency and productivity auditors. If the Finance minister cannot make such a commitment, I strongly suggest she withdraw this budget and return to the drawing board.

Thank you.

Hon. Ms. Carson: -- Thank you, Mr. Deputy Speaker. I rise today to speak in support of a very historic and trend-setting budget. In fact I believe it's with a great deal of pride and excitement and anticipation that the people of Saskatchewan wholeheartedly support our budget.

Mr. Deputy Speaker, I think back to last Thursday; it was March 18. And I think back also that as minister of Culture I have been I think perhaps made more aware of our historic roots in Saskatchewan.

But March 18, Mr. Deputy Speaker, was the day after St. Patrick's Day. And I think that St. Patrick's Day in many people's eyes is a day of good luck, and I believe had extended over to March 18 to the people of Saskatchewan because that budget is actually going to be a lucky budget for the people of Saskatchewan.

But it requires more than luck, Mr. Speaker; it requires good management. And that is exactly what our Minister of Finance has put forward in this document.

(1615)

Now the Minister of Finance, I know by her name, must have probably a little bit of Irish in her; but she's not a leprechaun, Mr. Speaker, and she can't make magic. But I think that budget that we brought down on March 18, Mr. Deputy Speaker, started to build a rainbow over Saskatchewan, a rainbow that will end in 1996 with a pot of gold.

But in that pot of gold there won't be gold, Mr. Speaker, but there'll be the word "freedom." And I think more than anything else that is what the people of Saskatchewan want. They want financial freedom.

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: -- As well, Mr. Speaker, being the minister of Culture, I've learned other things. I've learned also that we have a substantial Chinese culture in Saskatchewan and it's a very interesting culture and I've learned that the year of 1993 is the year of the rooster. It's a year that's ruled by the attributes and the traits of the rooster, the animal.

And I think when you read this, you're quite intrigued about it because it talks about industry and it talks about honesty and it talks about the traits of hard work and sacrifice and I believe that 1993 is indeed going to be the year ruled by the rooster.

And as I thought about it, Mr. Deputy Speaker, I thought, well if 1993 is a year that's going to be ruled by the rooster, what was the last decade? What happened from 1981 to 1991 and how would we characterize this?

And, Mr. Speaker, I thought about it and I decided that that must be the decade of the rule of the wolverine. And I looked up the wolverine -- I used to teach school and I remember that it was a very interesting animal and so I went back and I looked at it -- and here are the characteristics of the wolverine: it's a very intelligent but very crafty and cunning animal. It's very aggressive, very greedy, extremely destructive. It has low social values; it's not a social animal at all; in fact it provides minimum care for its young and for its elderly.

And I recall watching on TV one day and I remember seeing a documentary about the wolverine and listening to people who operated a fishing camp. And they spoke about some wolverines that had come into the camp and these wolverines had eaten everything that they could eat. They dragged off everything that they couldn't devour. And what they couldn't eat and dragged off, they sprayed a very odious spray on so nobody else could use it. It was a scene of total destruction, Mr. Deputy Speaker. And when the owners of this camp came back, these animals lurked off into the bush. And they sat there and they growled and they snarled at all the people that were trying to put this camp back together.

So I say to the people of this Assembly, that when I look at what happened for the last decade, it seems to me that we were ruled by the wolverine. It was an animal obviously that has no sense of responsibility. It has no sense of remorse, and it cares only about its own appetite.

Now I think that in . . . it sets a context of what we are going to be dealing with as far as our government and its ability to put Saskatchewan back together. Because in opposition, Mr. Speaker, we have this band of men who refuse to acknowledge the complete reversal of Saskatchewan's financial position from the year 1981 to '91. They simply cannot accept the fact that in the last year of an NDP government, 1981-82, we had $130 million surplus. We had interest payments on our public debt of $43.3 million. And we had a total debt, a total combined debt of $4 billion, a little less than 4 billion.

And then after 10 years of the rule of the wolverine, what do we have now? We have an annual deficit, when we took over, of about $860 million according to the Gass Commission. We have a total combined debt of $14.7 billion and we have interest on the public debt of 760 million.

And they don't like to acknowledge that. They feel that that should not be talked about. And they jigger the figures around to suit themselves. But all you have to look at, Mr. Speaker, is look at the interest. In 1981-82 we paid a total of $43.3 million of interest on the public debt, and the last year in their office we paid a total of $760 million. Surely, surely those figures must tell you something because these are the facts.

But the members of the opposition cannot accept these facts because it is not their nature to accept it. And I don't believe it that they deny it. It's simply that they cannot come to terms with it; they cannot comprehend what they have done.

But there was one person, Mr. Speaker, who was a Tory, and one person who understood what was happening; one person, who was in the Tory caucus, who had the intelligence and the integrity and the courage to speak the truth. And this is what he said, Mr. Speaker, on June 18, 1991, the day that he resigned. He said:

> We have a responsibility, Mr. Speaker, to deliver government services to the people in the most efficient manner possible. This province is on the verge of bankruptcy, and we cannot afford to do otherwise.

That's what Mr. Hodgins, MLA from my constituency, said the day that he resigned. He was, as I said before, the only Tory that had the intelligence, the integrity, and the courage to speak the truth.

Mr. Speaker, on Saturday, February 6, there was a very interesting article in **The Globe and Mail**. And it says: "How the gravy train went off the rails." And this isn't something that Saskatchewan New Democrats have made up and concocted simply to make members of the opposition look bad. This is an accepted fact by everybody who has looked at the state of Saskatchewan, has analysed it, and have come to the same conclusions. And I read what they said in this article:

> The days of the Tory pork barrel are gone now, leaving this province of 950,000 souls flat broke. The Devine era began with a small budgetary surplus and an accumulated debt in Crown Corporations of $3.5-billion. When the

Tories left, the debt was nearly $15-billion.

The government made dozens of bad deals and, as three provincial investigations over the past year have shown, devised many ways of hiding cabinet ministers' personal and political expenses in various Crown corporations.

And it goes on and on. And that's not our document, Mr. Speaker. That is an independent analysis done by a very credible journalist in Toronto.

But what we have, Mr. Speaker, is a group of . . . a band of men over there that still sit and snarl and growl from the chairs over there because they simply cannot accept what they have done. They deny it. They don't take responsibility for it. And worst of all, they want everybody else to deny it and to not take responsibility for Saskatchewan as well.

And I think, Mr. Speaker, truly that has got to be the very worst part of it -- that they simply want us to continue to govern as they had done in the past. And that is simply unforgivable.

Now I hear the members of the opposition make claims that we have neglected Saskatchewan municipalities and communities, and this I find very interesting because I happened at one time to be a mayor.

And I remember very clearly in 1989-90 when Canadian "88" Agri-Products was looking to come into Saskatchewan. And we were working with Mr. Hodgins at the time to try to get support for the proposal from agri "88" and Mr. Hodgins, a minister in your own cabinet, did not know that a deal was being made behind his back with Cargill. He did not know that.

We met several times with the ex-premier of this province, the member from Estevan, and we spoke to him. And there was the mayor from Yorkton, the mayor from Rosetown, the mayor from Melfort, and the mayor from Tisdale. And we said to the premier and to his cabinet, you have $370 million invested in this fertilizer project. Instead of doing that, why don't you take that $370 million and divide it up $10 million for 37 communities and let us devise our own economic plan, or $5 million for 74 communities and let us contribute and let us build our own economic development plan.

But he said no, he needed a world-class fertilizer project in this province, and hell or high water, he would build it. So we lost $370 million that could have gone to the communities in 1989, '90, and '91. And instead it went to the biggest corporation in the world, Mr. Speaker.

And then I remember also the Bi-Provincial upgrader at Lloydminster. The government provided $177 million for the construction and for the agreement to build that provincial upgrader. If they had taken that $177 million in 1989-90, Mr. Speaker, and if they would have converted that into a program to build and replace infrastructure across Saskatchewan, we would have the best, most progressive communities in this country. We would have an infrastructure program that would be second to none and we would have municipal mill rates that would be very, very low.

But they decided instead, Mr. Speaker, that the Bi-Provincial upgrader was more important than provincial infrastructure and communities. And they dedicated that $177 million to another international corporation.

And then we look further, Mr. Speaker, and we see that on the sale of the Potash Corporation of Saskatchewan they lost $441 million in shares. And these aren't our figures, Mr. Speaker. Those are the figures that came out of the Gass Commission. And what could we have done in the communities across Saskatchewan with $441 million? Well we could have had a revenue-sharing program and a capital program that would have lasted for a very, very long time, a program that would have built those communities into modern, viable, energetic communities.

And they had that choice back in 1989, in '90, and '91, Mr. Speaker. They had that choice. That money was there. And where did they put it? They didn't put it into the municipalities. They never, ever had one thought or regard for municipalities -- not once. Because I was there and I can remember what was going on, and I was part of those discussions.

They spent the money on their silly dreams and their greedy schemes and they left the communities of Saskatchewan hung out to dry, and they did it for 10 years.

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: -- And now, Mr. Speaker, they complain when we have decreased . . . when we decrease our spending, they sit over there and they snarl and they growl from the weeds and they say, you shouldn't be reducing your spending to municipalities because it's offloading.

Well, Mr. Speaker, we have very little choice left. We don't choose to decrease our money to municipalities. We know that municipal governments across Saskatchewan are the most efficient and effective way of delivering services and we do support them.

But right now, Mr. Speaker, the pot's dry; the money's gone. It's been gone on Saferco; it's been gone on the Bi-Provincial upgrader; it's been spent on Millar. It's been spent on many, many different places, but it's not been spent in the communities across this province.

And then, Mr. Speaker, they talk about the taxes. And they complain and they say, quote: we have picked the taxpayers' pockets. We have put 1 cent E&H on, raising it from eight to nine, and we've added on the

adult clothing. So with that, we brought in about $70 million. And we hear the Leader of the Opposition sitting over there and he says, you had a choice; you could have harmonized.

And I sit here and I say, okay; they say we could have harmonized for $180 million. But where do you think that $180 million is going to come from? Some great god in some heaven? Is Zeus going to drop off the $180 million to you? Is $180 million less of a detriment on the taxpayer than $70 million on an E&H?

I simply cannot understand their logic in this, Mr. Speaker. There's only one taxpayer in Saskatchewan. There isn't some great god up in the heavens that's going to drop out $180 million simply because they say the word harmonization.

And they want to tax, Mr. Speaker, what the Tories want to do, they want to tax and they want to tax haircuts and they want to tax books and they want to tax dry-cleaning and accounting services and oil changes. They want to tax everything that any taxpayer ever has in the economy. They want to tax it for $180 million. And they think taking $180 million out of a taxpayer's pocket is better than taking $70 million out.

(1630)

Well, Mr. Speaker, I don't think the taxpayers of this province are that naïve. I think they can say, $180 million in this pocket or $70 million in that pocket, I think I would still take the 70 million, thank you. And you can forget your greedy schemes and your silly dreams on that one as well.

And then they sit over there and they talk and they talk about doom and gloom, that we preach doom and gloom. We preach reality. We preach fiscal responsibility and economic reality, and we tell the people the truth.

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: -- And when we tell the people the truth, Mr. Speaker, that bothers them. That bothers them. And they think that's doom and gloom. And of course for them it is doom and gloom because it exposes exactly what they've been all about for the last 10 years.

And so they sit over there, Mr. Speaker, and they talked a few weeks ago about the doom and gloom had chased away a potential investment for Melfort. Now to show you the hypocrisy and the dishonesty of what those people said, I took the opportunity to write to the investment company that was supposed to have invested in Melfort -- the company that they say we chased away.

And I have the letter here, and what it says is: all developments of this chain -- and I'm not going to mention it -- in Canada is cleared. This is from the manager of the franchise sales for Canada, and he says: all development of this chain in Canada is cleared through my office and as of this date there has not been ever discussed with anyone a hotel for Melfort. We are actively however pursuing a number of opportunities in your province and expect to have a substantially larger presence there before the end of the year. In fact we have specifically targeted Regina, Prince Albert, Swift Current, and Lloydminster, and are currently seeking out other opportunities as well. We think that the future of your province is bright, and hope that we can be a part of it.

This is a company that you said we chased away with our gloom and doom. This is a hypocrisy. You take a statement and you concoct your own terms around it with not one shred of evidence as to the facts -- not once.

And then, Mr. Speaker, to show further how this group, this band of men sitting in the weeds snarling and growling over there, how they exaggerate and how they distort the truth, they have decided today that a letter that I sent to Mr. Cholod, president of SUMA, was somehow inappropriate. They decided that the relationship between this government and SUMA could better be explained by members of the opposition rather than a direct communication between this government and that association.

And I know a lot about that association. I used to be it. They are still my very close friends. And I don't think that there's anybody over there that can tell me anything about SUMA that I haven't already learned or don't know or can't find out.

But I will tell you, Mr. Speaker, that the letter that came back from Mr. Cholod after I sent the letter saying we were in discussions . . . we've had two meetings discussing and scoping out this terms of reference of how we can eliminate or how we can restructure the local funding options for health care, and we're in those meetings and we're discussing it. And then out of the blue Mr. Cholod says, we want to repeal the revenue held back.

And I send a letter back and say: Mr. Cholod, we are in discussions; we are in there in good faith. And at this point in time if you're going to jump the discussions and decide that you're going to get ahead of the whole process and decide we want to repeal the Act, then there's no further need to go ahead with the discussions. And in fact that's paraphrasing what I did say.

But those people across the way decided that they spoke better for SUMA than SUMA itself. And I don't believe that SUMA wants to be politicized by members of the opposition, to be used for their own political purposes. I know that SUMA is an association that has integrity, it has credibility across Saskatchewan, and above all, it's not political. And they don't need members of the opposition speaking on their behalf.

And then, Mr. Speaker, we hear more words from them about how we should be supporting all sorts of

programs in Saskatchewan -- more support for the health care programs, more support for agriculture. Well I ask . . . I challenge the members of the opposition, I challenge you -- we will pay for those programs if you pay your interest on your debt. You take the $760 million . . .

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: -- You take it. That's your debt. You pay it. You do the honourable thing. You pay the $760 million and we will be more than happy to have the best agriculture program in the country and the best health care program in the country and the best education program in the country and I will be able to give every municipality all the money and revenue sharing and capital grants that they could possibly want. If you take care of your interest payment of $760 million, we'll dedicate that money to community development. Is that a deal?

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: -- Mr. Speaker, are they going to be able to come up with the $760 million that they blew in the last 10 years? No, Mr. Speaker, not these people. We have to remember that we were ruled by the decade of the wolverine.

So, Mr. Speaker, what that leaves is that everybody in Saskatchewan must sacrifice. Everybody in Saskatchewan must sacrifice to pay for their party. That $760 million has to be paid -- this year it's $847 million.

So what we have to do is try as effectively as possible to work with the municipalities to help them restructure and coordinate their programs. And so this year, Mr. Speaker, we have allocated $500,000 to the inter-community cooperation program to help municipalities start on this. They're very encouraged by it. They're working together and I see this as a great opportunity for Saskatchewan municipalities to reshape and take hold of their own destiny.

Also, Mr. Speaker, we have told SUMA that -- they have a task force that was brought in at the last convention -- and we have told SUMA that we would help them pay for that task force; we would find money to allow that task force to go ahead and do a lot of its work.

We also, Mr. Speaker, have allocated money towards many other programs in our department and I'm going to give you some breakdown on those other programs. We have dedicated 125,000 to an enhanced training program for fire protection. We have dedicated a further 1 million . . . just looking for my notes, Mr. Speaker. We have dedicated . . . my mind has taken away those numbers from me, and I will get them in a moment, Mr. Speaker, but we have allocated our resources mainly to areas where we feel that there is a critical need at this point in time.

We have dedicated $4 million to water and sewer services for northern municipalities. We have dedicated, over the next five years, $6 million to capital grants for the northern municipalities. We will have a $4 million capital program for housing in the northern municipalities with upgrades and 30 new units going into the North. We have taken very seriously, Mr. Speaker, the need to attend to the quality of life and to the essential services in northern municipalities, and we will continue to focus our attention in those areas.

Mr. Speaker, I believe that in this time of decreased funding, we have allocated our resources as fairly and as equitably as we possibly can.

As well, Mr. Speaker, in regards to the lotteries, the lottery funding in Saskatchewan has grown substantially over the years, and this year with the discussions that are going on around the report from the Provincial Auditor and the Gass Commission, we have . . . am taking our responsibility to some of the agencies that are legislated under the provincial government very seriously.

Therefore, Mr. Speaker, we will be taking from the lotteries $9.1 million and allocating it to the Arts Board, to the Heritage Foundation, to Wanuskewin, to the MacKenzie Art Gallery to the Science Centre and to SaskFILM. Those agencies will share direct funding through the Consolidated Fund for the amount of $9.1 million.

As well, Mr. Speaker, we will be sitting down with the globals, Sask Sport and its globals, and we will be coming to a resolution of the problem of the remarks of the Provincial Auditor regarding accountability. We believe that there is an attitude of respect and a desire by the globals to resolve this problem. And I am sure over the next year that the problem that we have regarding accountability with the lotteries will be resolved.

We make our commitment to the sports, recreation, and culture organizations of Saskatchewan that they are indeed extremely important for the quality of life of Saskatchewan. And we believe the volunteer services that we have in place now are the best way to deliver these programs.

Some Hon. Members: Hear, hear!

Hon. Ms. Carson: -- So, Mr. Speaker, in regard to the department of municipal government, we have to the greatest extent possible allocated our funds to those areas that we believe urgently need our attention.

I want to take a moment, Mr. Speaker, to talk about the remarks made by the member from Greystone, the leader of the pizza party of Saskatchewan.

She speaks loudly and passionately about democratic process, Mr. Speaker. She speaks about the need for politics to be inclusive, not exclusive. She speaks very eloquently about the need for integrity in politicians and in the process. And yet she represents a party that has a track record that has historically and more currently made people blush with shame. They make

patronage an art form. They respect democratic principles only when it suits them.

And everybody is aware of the shenanigans that went around the nomination process in Regina Wascana constituency, and more recently with the Saskatoon-Humboldt.

But how did she square that, Mr. Speaker? How does she sit there, and she enunciates in very eloquent terms about what democratic process is, and yet her own party is probably the most abusive of all when it comes to neglecting . . . or deciding that when it doesn't suit their purposes they will simply set aside the democratic process.

So this leader of the pizza party of Saskatchewan decries patronage. She says patronage is a sin. And at every opportunity you hear her talking about how everybody in the world indulges in patronage except the leader of the pizza party. And yet everybody in Canada knows that her party invented patronage.

Well, Mr. Speaker, I don't think she should be quite so sanctimonious. In fact in her speeches . . . and she talks also very eloquently about truth and honesty. And in her speeches she . . . in this House she has made remarks about me. In fact she said that I have hired my entire campaign team to work at SPMC (Saskatchewan Property Management Corporation).

Well, Mr. Speaker, that is a complete and total falsehood. That is simply not true. I have not hired one person at SPMC that came from Melfort. And yet she will stand there and say that.

And if she says that about me, how many other things, Mr. Speaker, does she say that she has incorrect facts on? Or does she care about the truth? Or does she care about the facts at all?

She talks about the need to reduce funding, starting at the top and leading by example. And she continually says that she needs more money. She's asked for $200,000 more from the Legislative Assembly to help her operate her office. And at the same time she tells everybody else that we have to have restraint and reduction in government operations. What makes her operation more important than anybody else's operation? We have reduced our expenditures and yet, at the same time out of the other side of her mouth, she wants to increase hers.

Would it help, Mr. Speaker, if she got that $200,000? Would it help her to find the truth and speak the facts or would she continue to . . . Perhaps if she had more money, perhaps if she had more money to research the facts she might actually know what she was talking about. But I doubt that, Mr. Speaker. She talks about reducing government and she makes some very superficial analysis in her speech a few moments ago, filled with inaccuracies and a huge amount of ignorance, Mr. Speaker.

She was doing a critique on the budget for the Legislative Assembly, and among other things, she was talking about the increases in the Legislative Assembly budget, but she didn't. She neglected to say that the Standing Committee on the Environment held hearings all across this province, did a comprehensive public hearing, did an excellent job, and that cost the province about $130,000.

(1645)

She also neglected to say that the security staff cost for this Legislative Assembly was being transferred from SPMC to the Legislative Assembly budget. She didn't mention that. She only spoke in very superficial terms about the cost increasing.

And another area she spoke about, Mr. Speaker, she said that the Indian Metis Secretariat had an increased cost in their budget this year. But she didn't say that that increased cost was due to major economic development programs within that secretariat.

And she continually jumps on the bandwagon about tax increases. And yet at one time -- and I still believe they still are talking about harmonization -- she still is in favour of taking $180 million out of taxpayers' pockets through harmonization, but at the same time she talks about the sin of tax increases. And I agree. None of us like tax increases, and we would rather not do it. But simply speaking, she is very naïve when she relates the facts around some very specific programs.

Another area she talks about is a need for support for ethanol. And yes, we doubled ethanol support to $3.6 million. And I would've thought that she would've been very supportive of it. But she also complained that what we were doing was creating competition by giving propane an advantage as well.

Well, Mr. Speaker, I think her analysis of the programs and of the budget was very superficial. I don't have time here to go through them all, but I'm sure they'll come to light as we go on through this debate.

Mr. Speaker, another thing that the leader of the pizza party did a few months ago, and it caused me great concern, was that we are trying to develop a new property assessment system in Saskatchewan. And above all what this system does not need is for politics to become engaged in it.

And when I hear the member from the pizza party talking about the need for a fair and equitable new reassessment system in Saskatchewan, I get very concerned. Because that is not a political process, Mr. Speaker. That is a process controlled and operated by municipal governments, and politicians on all sides of the House would do well to keep their remarks to themselves and their political interest out of the assessment system in Saskatchewan.

So, Mr. Speaker, in closing, I want to go back to the opening statement at the beginning of my speech. And there I said that we are starting today to build a rainbow over Saskatchewan. And in 1996 there will be a pot at the end of that rainbow. And in this pot there'll be something more important than gold. There

will be freedom. And, Mr. Speaker, this is not just a hope. Mr. Speaker, this is a promise. And this promise will be fulfilled not because of our government, but because of the people of Saskatchewan.

They want to return to the age of fiscal responsibility and balanced budget. They don't want to see any more of their taxpayer money going to bankers in the East. The promise of fiscal freedom will be fulfilled because of the hard work and the dedication and the perseverance and the sacrifice of our people.

And, Mr. Speaker, I want to congratulate the people of Saskatchewan for their encouragement and their support for this budget. I also, Mr. Speaker, want to thank you and the Legislative Assembly for your attention to my remarks this afternoon.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: -- Thank you, Mr. Speaker. I am pleased to be able to rise today to make an address about the budget.

But before I start, I would like to refer to a few comments that were made by the member from Bengough-Milestone. She talked about a pamphlet that was in her constituency, a pamphlet with my name on it. And indeed that is the case, Mr. Speaker, there is such a pamphlet out there.

And, Mr. Speaker, the reason that pamphlet is out there, because the people of Bengough-Milestone felt that the member for that constituency was not doing her job properly. In fact I have been receiving many letters, many phone calls from the people of that constituency to look after their concerns and to answer their questions.

And these people that are calling and writing, some of them are apolitical, Mr. Speaker, they couldn't care less which party is in government. But there are a good many others, Mr. Speaker, that do have party political affiliations, and those affiliations include the New Democratic Party, the Liberal Party, and the Progressive Conservative Party.

They are calling me and my colleagues, Mr. Speaker, because they feel that this government is not listening to them. They feel that this government has reverted back to the ways of the 1981 and '82 NDP government. They didn't listen either.

Mr. Speaker, I also have another pamphlet that is going around in my constituency. And this pamphlet deals with taxes, it deals with government priorities, it deals with justice -- who is receiving justice and who isn't receiving the benefits of justice in this province. But most important, Mr. Speaker, it asks questions. It asks the members of the public to respond, to give their opinions on what is happening and what they would like to see happen. They have the opportunity to respond in whatever manner they wish, to express their own ideas.

This, Mr. Speaker, I am sending out in my constituency. But the pamphlet that went out into the Bengough-Milestone constituency with my name on it or my name as the contact person within the PC caucus was not sent out by me, Mr. Speaker. No, it was not. In fact, it was sent out by the Bengough-Milestone PC association. They paid for it and they're alive and well, Mr. Speaker, and ready to fight.

I have another pamphlet here. This one's being sent out by the member opposite. And I'll quote the first line from it: New Democrats promise to eliminate waste and mismanagement and to run government more efficiently. And this one on the back it says: printed by the New Democratic Party caucus office. I wonder where she's getting her money for to send these out.

The member for Bengough-Milestone talked about Rafferty-Alameda in her speech. And I notice whenever the members opposite talk about Rafferty-Alameda, they always talk about no water. But when they do that they never mention Alameda. Mr. Speaker, the Alameda dam is in my constituency.

Last summer there was 35 feet of water at the dam face, Mr. Speaker, and that water is still there. There would have been a lot more water in that dam had the dam been allowed to finish on time and the gates closed. The dam would have been half to three-quarters full, Mr. Speaker, just from the run-off that we would have had last summer.

Mr. Speaker, I wonder if the member from Bengough-Milestone has spent any time in her constituency looking at the snow pack, looking at the lakes, looking at the dugouts in her constituency.

Two years ago the water table in that area was very low. There was a significant rainfall one night in the 1991 summer. That water, Mr. Speaker, was saved at Nickle Lake in Weyburn and it was saved at the 601 causeway at Mainprize Park. If that water had been allowed to progress downstream, there would be a significant amount of water in the Rafferty dam.

But because of the drought in that area, Mr. Speaker, all of those areas were very dry. In fact Weyburn had been on water rationing. But the members opposite never talk about that.

If you went into that area today, Mr. Speaker, you would find that a good many of the dugouts in that area are almost dry if not dry because there has not been the normal run-off; there has not been the normal snowfall that one would expect. And that isn't just one localized phenomenon; that has been going on there for 10 years, Mr. Speaker, 10 years. Even in my own area that drought has had an effect. This drought is not just localized in the Rafferty-Alameda area; it's been all across southern Saskatchewan. And the farmers know all about it, Mr. Speaker. And the people in the urban towns know all about it because in some of those areas they've had to ration their water.

The member from Bengough-Milestone talked about pitting communities against communities, that we were somehow pitting rural against urban. Well, Mr. Speaker, I believe it's her and her government that are doing exactly that.

I'd like to ask the member for Bengough-Milestone which hospitals in her area are volunteering to close. I'm sure that the hospitals at Pangman, Radville, or Bengough are jumping up and down, asking to be relieved of the burden of having a hospital in their communities. Their people don't get sick; they don't have to worry about travelling any distance to a hospital. I just wonder, Madam Member, which one of those hospitals, which two of those hospitals, is volunteering to close.

I suspect, Mr. Speaker, that in fact the people of those communities and those hospital boards are fighting to remain open. They're fighting for those small amount of funds that the members opposite are sending them. Even though there may not be enough funds there to maintain those hospitals after the Minister of Finance gets through with her budget, those hospitals still wish to remain open.

I was very interested, Mr. Speaker, when the member said in her remarks, what we say is what we mean. And I really hope that she meant that. I really hope that the rest of her colleagues mean that when she says it, because I'd like to read a few quotes to you. This is from the Premier, CKCK-TV, September 3, 1991, and I quote: we believe in living within our means. We think $4.5 billion expenditure a year, roughly, is what we now expend in this province of Saskatchewan is enough.

Now did she really mean to say what she meant? Or what was this? Did she really believe this, Mr. Speaker? Did the members opposite really believe this?

Another quote to say what . . . when she says, what we say is what we mean; no new taxes would be imposed. Instead the NDP would cut wasteful spending and encourage new economic development -- The *Leader-Post*, September 6, 1991.

Now is that what they really meant? That's what the member from Bengough-Milestone seems to be indicating; that if you listen to her speech and what she says, she really means it. Well I wonder, Mr. Speaker, do her colleagues really mean it when they say, 4.5 billion is enough or no new taxes?

Another quote, Mr. Speaker: I say the people of this province are fed up with taxes and we are going to change that. Well, Mr. Speaker, they included the ex-premier's name in here, so I didn't use it.

And now I'd have to say, Mr. Speaker, that the people of this province were fed up with taxes then and they're even more fed up with taxes now. They're more than fed up with the new government's taxes.

A quote, Mr. Speaker, from the *Star-Phoenix*, September 21, 1991: The party has also promised to abolish the provincial flat tax. This is the NDP Party. They promised to abolish it, Mr. Speaker. I believe it's somewheres around 3 per cent now. That's hardly abolishing it. If the math is correct, Mr. Speaker, if you move from one to three, that's increasing it. And fact is, Mr. Speaker, that's a 300 per cent increase.

But somehow or another, when the member says: what we say is what we mean, well why is that tax still there, Mr. Speaker? Why has the Premier and the Minister of Finance and the cabinet and all of the back-benchers not eliminated this particular tax, Mr. Speaker? Perhaps they didn't really mean what they said.

Another quote, Moose Jaw **Times-Herald**, from the Premier, October 17, 1991. And this is during the election campaign, Mr. Speaker, and I quote: but we're not going back to taxing people. This was during the election campaign. It's not some comment that was made previously in the heat of a debate in this House perhaps; this was during the actual election campaign. We are not going back to taxing people.

Well, Mr. Speaker, I think perhaps the person who said this, the Premier, should go back and read the budget that his Minister of Finance just presented to this House. And there were very significant tax increases in there, Mr. Speaker, and there were very significant tax increases last year.

Another quote from the *Star-Phoenix*, October 12, 1991. And this too was during the election campaign, Mr. Speaker: creating more jobs will also stimulate revenue without raising taxes -- without raising taxes will stimulate new jobs.

Well, Mr. Speaker, I agree that if you don't raises taxes, in fact if you cut taxes . . .

The Speaker: -- Order. It now being 5 o'clock, this House stands recessed until 7 p.m. this evening.

The Assembly recessed until 7 p.m.