

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

Ms. Haverstock: — Thank you, Mr. Speaker. I give notice that I shall on Thursday next ask the government the following question:

Regarding the children's dental program: (1) how many children benefited from the services of this program in the last year; (2) what was the value of the benefits offered to those children; (3) how many of those children were from families on the Saskatchewan Assistance Plan; and (4) how many of the children receiving benefits are from families receiving payments from the Family Income Plan?

INTRODUCTION OF GUESTS

Mr. Whitmore: — Thank you, Mr. Speaker. To you and through you today, Mr. Speaker, I would like to introduce someone in your gallery, a constituent from the community of Perdue, Mr. Alvin Hewitt. Mr. Hewitt is also chairman of the board of the Western Development Museums, is on his way through here today going on to visit a new grandson that has arrived to the Hewitt family. So I'd like the Assembly to welcome Mr. Hewitt here today.

Hon. Members: Hear, hear!

Mr. Goohsen: — I'm happy today to introduce several employees, recent employees, of the Saskatchewan Liquor Board. They have come, Mr. Speaker, to be with us this afternoon to observe how the democratic process works in its actual operation. They are seated in your gallery and I'm sure that all of the members of the Assembly would join with me in welcoming them here today.

Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Through you . . . to you and through you to the Assembly I'd like to introduce Fred Herron, the executive director of the Saskatchewan Teachers' Federation, who is seated up in your gallery. And I would ask the Assembly, welcome him here today.

Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Mr. Speaker, I just wish to add from this side of the House our welcome to Mr. Herron, the general secretary of the Saskatchewan Teachers' Federation.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Liquor Board Lay-offs

Mr. Goohsen: — Thank you, Mr. Speaker. My questions today are to the minister for the liquor and gambling. Mr. Minister, we have visiting with us today a number of employees who were given the four-minute firing ceremony of your government. All come from the licensing inspection branch of the Liquor Board. These are Saskatchewan people, Mr. Minister, who are very concerned about your budget choices.

So will you just tell these folks, Mr. Minister, and this is my question to you: did you personally approve, not only of the firings, but the methods used in the firing process? Are you the one responsible for this, Mr. Minister? A yes or no answer would be fine.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Thank you, Mr. Speaker, and thank you for the question. I would want to say with respect to the consolidation of the Liquor Board and the Gaming Commission, there will be a number of job losses, Mr. Member. I would want to say with respect to approval of the firings the answer is no, I had no knowledge of who was going to be removed. With respect to the methods I am unaware of the method you speak of, but I will ask the chairman of the Liquor Board to give me a report.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Now, Mr. Minister, I find it absolutely amazing that you would be bucking for a job in a ministry . . . in a cabinet where obviously the Premier is going to be forced to fire someone by public pressure before very long and you don't even know what the heck's going on in your department? I don't believe this.

Mr. Minister, it has become painfully obvious that your government doesn't know what it is doing when it comes to gambling in Saskatchewan. You have handled the situation at the White Bear Indian Reserve extremely poorly and you have been less than forthcoming about your dealings with the American gambling partners, your partners, the VLC (Video Lottery Consultants).

My question, Mr. Speaker, to the minister: given all the confusion and mishandling of this issue that you've created, do you really expect, Mr. Minister, that four people are going to be able to police 1,600 bars in this province? Is that your realistic position, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Thank you, Mr. Speaker. In responding to the member's question, I would want to say that there was a duplication in terms of the services that were provided by the inspection, different bodies of inspection with respect to health, fire, and municipal building inspections, that there was some cross-duplication. And I want to say to the

member opposite that I am fully aware of what is required in the Gaming Commission and the Liquor Licensing Commission.

As a matter of fact, sir, I'm fully aware of what is required because of your mismanagement, your government's mismanagement for the last 10 years, that there is a desperate need to consolidate to save the taxpayers of this province money. And part of this consolidation, sir, will save this province in the neighbourhood of \$5 million a year. And that's because we're paying in the neighbourhood of \$750 million a year on interest on a debt accrued by your government.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Well it almost sounds like the old song and story from the used car salesman: trust me; I know what I'm doing. Nobody else does, but he knows what he's doing.

Mr. Minister, it is obvious to a field mouse that four people cannot handle the inspections for both the gaming and the alcohol for the whole province, particularly in this start-up phase of gambling in the province.

Your excuse for this budget choice, firing these people without cause, is that four will do the job. Given that excuse, will you commit on record, Mr. Minister, give your word on behalf of your whole government — since God only knows how quickly you might be replaced and we'll see a new minister of gambling and booze in this province — give your word, Mr. Minister, that you will not be hiring additional inspectors within the next 24 months? Will you make that public commitment here today to these people?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, the line of questioning is somewhat confusing. On one hand he tells me that he recognizes four inspectors can't handle the job. On the other hand, and two minutes later, he asks me to give a guarantee that we're not going to hire any more employees to look after the licensing role.

Let me say this. In the restructuring of gaming and of the Liquor Licensing Commission, there will be changes. There are changes in terms of the requirements for the inspectors and that will be dealt with in due course as the restructuring takes place. What I would also want to indicate to the member opposite, that he may be unaware of the fact that the Licensing Commission deals closely with municipal police forces, with the RCMP (Royal Canadian Mounted Police) around this province. There is a good rapport built. And in terms of whether or not the public interest will be served, I give you my commitment that it will.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. I think what

the minister really has said is that we're going to have a new job description after a while and some new people will be hired to do the same old jobs. Political buddies of course will be the only ones that'll qualify.

Mr. Minister, it seems that the vice-president in charge of this branch is the brother-in-law of the member from Quill Lakes. The budget keeps this high-priced relative of a cabinet minister on staff when he has almost no one left to vice-president over. What is more, Mr. Minister, the budget also keeps a chief inspector who should be capable of chiefting the few who are left in this staff.

Is this not simple proof, Mr. Minister, that you are not interested in fairness, that you have jobs for your friends and your relatives, but that you are very quick to cut out the knees of the average family in this working community within our province.

Mr. Minister, my question: how can you possibly justify keeping this vice-president on?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, this line of questioning becomes more and more bizarre. Perhaps you might want to lean across to the member from Estevan and ask how he continued to employ this gentleman over the tenure of his leadership as premier of this province, because this particular individual, sir, has been employed with the province of Saskatchewan for over 20 years. He's a professional civil servant and I think it's unbecoming a member of this legislature to drag a professional civil servant through this legislature.

Now let me say, sir, with respect to patronage, a government with the record of the PC (Progressive Conservative) government of the 1980s should not even be raising its head with the word patronage, sir. This is a new era; this is a new way of governing. We are going to be employing people based on their ability to do the job, and that is the criteria.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. Well, Mr. Minister, I think you may have heard some of my colleagues comment that formerly this vice-president had a department, of which he had some control over. He now has no department. What is his job? Now you've got two people doing the same thing, and yet you fire the people who were actually doing the work.

As far as the past, my friend, I don't care what was right or wrong in the past; I care about what's right now. This is your government in the future. You can't talk about a future because all you guys can think about is doom and gloom and the failure of our province, and the inability of our people to run anything on their own.

Mr. Minister, as you say, the gaming and liquor functions are being combined. How do you justify to these employees in the gallery that while they get the

four-minute firing squad, you keep not only a vice-president and a chief inspector of liquor but you also have hired a chief inspector for gaming about whom you were crowing yesterday? Why do you need two chief inspectors, my friend? Tell us that.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, in answer to the member's question, let me be very straightforward. I understand why you don't want to talk about the past, that's quite clear given the record of the PC government in the 1980s. Everyone in the province understands that.

With respect to the reorganization of the Liquor Board and the Gaming Commission, that will be done. We will have in place a leaner administration than was ever there under your operation. It will be there to serve the industry and it will be there to serve the public. We will have professional civil servants doing the jobs, not based on patronage as was the practice under your operation.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. I think we will talk about the patronage a little bit later.

Mr. Speaker, I want to address my question to the Premier, a new question to the Premier. Mr. Premier, only two departments got staff increases in your budget. Your own office, the Executive Council, is expanding at taxpayers' expense. And your political department, the newly created Department of Provincial Secretary, is getting a boost in employees at taxpayers' expense.

You are hiring people to do policing things and fly around talking to other politicians in other places, and even it appears, to organize the NDP federal election efforts in Saskatchewan. That's all he's doing. These are the choices your budget is making, Mr. Premier.

And, Mr. Premier, my question to you is this: Will you guarantee to meet with these employees, explain to them why more staff for you and more staff for your Deputy Premier is a higher priority than ensuring that the children of this province are not sold alcohol. Will you explain these budget priorities to the people who are most affected, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to comment on the member from Maple Creek's observation that there has been an increase in number this year in the Provincial Secretary's department over previous, when there was no department. And I want to make it clear that it would be difficult to have fewer when you start out without a department.

As to the role of the individual, the Deputy Premier in the role of Provincial Secretary, one of the main roles will be to work with the federal Tory government to try to increase the procurement . . . Mr. Speaker, I wonder

if we could get a little bit of control of the members on the Tory benches who yell and holler and obviously not wanting to hear the answer. But I say very clearly that the procurement from the federal government, which is presently at 2 per cent of the total amount spent by the federal government, come to Saskatchewan. We have 4 per cent of the population.

One of the main roles of the Provincial Secretary will be to coordinate with the federal government. And when this function is fulfilled — which it never was under your administration, I say to the member from Estevan — this position will pay for itself 10, 15, 100 times over.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. To the new Acting Premier, I want to say that any kind of semblance of cooperation between this government and Ottawa will amaze everyone in the world — not just Saskatchewan.

Mr. Premier, you said that you had to make some tough choices in your budget. You have said that the budget called for sacrifice, but it also showed compassion. Well, Mr. Acting Premier, let's talk about who gets to make the sacrifices and who gets to get the compassion.

You choose to summarily dismiss 11 long-time Liquor Board employees with about four minutes notice. At an average salary of about \$40,000, this move will save the province \$440,000. At the same time, you choose to increase the administrative budget for the Provincial Secretary, your Deputy Premier, by over \$800,000.

Mr. Premier, you gave \$800,000 more to an NDP (New Democratic Party) cabinet minister with no responsibilities other than running the federal NDP campaign. At the same time, you were putting people out on the streets with four minutes notice. That's what your budget was all about, Mr. Premier. Working people make the sacrifices and the . . .

The Speaker: — Order, order. Does the member have a question? Order.

Mr. Goohsen: — Thank you, Mr. Speaker. I'll get right to the question. Mr. Premier, how can you possibly justify these actions? How can you call on the people of Saskatchewan to make sacrifices while your Deputy Premier, the minister responsible for the NDP election campaign, reaps all of the rewards?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to make it clear to the member opposite, again, because obviously, Mr. Speaker, he was not listening because of the noise that his colleagues were making when I was responding last time.

But the main role, one of the main functions of the Provincial Secretary and the Deputy Premier, is to

coordinate with the federal government and the federal ministers — whether it's Mr. Mazankowski or Bill McKnight or those ministers who deal with Saskatchewan — to try to force them and encourage them to do more of the procurement, that is the taxpayers' of Canada spending, in the province of Saskatchewan.

And I just want to say to you that under your administration . . .

The Speaker: — Order, order. Will the members please come to order. You're asking a question; you should allow the minister to at least answer the question. Order.

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to make it clear to the members opposite that under their administration, the 10 years they were in government, even though Saskatchewan had a population that represented 4 per cent of the Canadian population, that former member, the former premier from Estevan got only 2 per cent of the federal procurement in the province of Saskatchewan. That's what that great relationship between the member for Estevan and the Tory Prime Minister got for Saskatchewan.

But we're going to change that. One of the main roles of the Deputy Premier is to coordinate with the federal government to improve that procurement in the province of Saskatchewan for Saskatchewan business people that will mean hundreds of more jobs when we convince the federal government to pay the fair share to our province.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. A supplemental question to the Acting Premier. Mr. Acting Premier, one story reported that up to a thousand people at SaskTel will be offered early retirement as a part of your budget choices.

Here in the gallery we have employees with 21 years, 19 years, long years of service. One employee told the *Star-Phoenix*, and I'll quote, Mr. Speaker: four minutes later I'm out in the parking lot. Whoever took great pleasure in doing this, the man has ice water in his veins. It was quite a scene. End of quote.

These employees have been treated like dirt. And it is despicable. Where is the compassion in this government? Where is the mercy? Where is the fairness, Mr. Premier?

Mr. Premier, notwithstanding the actions you have shown, taken against, and should have taken against Paul Weber, the spandex man, why are these employees not given the same treatment as others have gotten and are promised? Why is there no real retirement offer in this budget for these people?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Thank you, Mr. Speaker. It is not at all obvious who the hon. member was putting

his question to. It was so long and rambling notwithstanding it being punctuated by a punch on the desk.

Let me however respond to the comments about SaskTel. I think it's fair to say, Mr. Speaker, that this is the way that we have handled these separations. The only separations at SaskTel so far have been voluntary. That's not been the case universally throughout the government, but these separations were done voluntarily. It was a voluntary retirement program. That is the way we attempt to deal with employees. At all times we attempt to deal with them in the most compassionate manner possible.

That's what we're doing at SaskTel and that's what we're doing elsewhere. And your attempt to make an issue out of this, I think is false. We deal with them as compassionately as we can.

Some Hon. Members: Hear, hear!

Mr. Goohsen: — Thank you, Mr. Speaker. I have to say that I am totally amazed at the manipulation that the minister would stand in this House and tell us is good. The manipulation of holding a gun to people's heads and saying to them that unless you voluntarily retire, you will not get a package for your retirement. Unless you voluntarily quit, you will get six weeks of severance. And if you voluntarily sign the paper, you will get a lump sum equivalent enough to maybe six months or more. That, my friend, is something that is explained by a word that we were told the other day we can't use in this Assembly, but everybody in this world knows what it is.

My question, Mr. Speaker, will you turn this situation around? Will you come clean with the people of this province? Will you treat these people with fairness and dignity and respect that they deserve for the years that they've put in in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I want to say, Mr. Speaker, that the day when the government holds guns to people's heads ended on October 21, 1991. We are treating the public service differently these days.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — I recall very well, Mr. Speaker, the way members opposite used to treat the public service. Prior to October 21, 1991, the public service were little better than cannon fodder for the members opposite who were in office. That day has come to an end, Mr. Speaker.

Nobody at SaskTel was forced to retire. The program, the retirement program, was reasonable, reasonably generous, and the take-up rate was high. But it was because they were fairly treated in the retirement program, not because we have perpetuated the kind of behaviour that was so evident when the members opposite were in office.

Some Hon. Members: Hear, hear!

Purchase of Video Lottery Terminals

Mr. Martens: — Thank you, Mr. Speaker. I have a question to the minister responsible for gaming. Yesterday you refused to make public the details surrounding the government's awarding of \$10 million contract to an American company with a questionable background.

Mr. Speaker, and Mr. Minister, one would think that given the amount of the contract, the scepticism that the public has regarding the government's handling of gaming issues, you would think that the NDP opposite would be more than willing to be open and accountable. As it is, they refuse to open the tender or proposal call to public scrutiny.

Mr. Minister, the question is very simple. Will you table the contracts which you have entered into with VLC (Video Lottery Consultants) and with GTECH?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Thank you. Mr. Speaker, my answer to the member is quite simple. We are right now in the process of negotiating with two American companies who have undergone the closest scrutiny by one of the most reputable law enforcement officers that this province has seen. Further to that, Mr. Member, until the negotiations are complete, I don't believe it would be in the public interest to release the details.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, on Friday you announced that you were appointing these people to have 1,000 each plus 500 more. That's what you said in your news release.

We want to know what the contract . . . the people of the province of Saskatchewan want to know what that contract . . . and who they're with and what they're for and how much the money that you spent is for each one of the terminals that you purchased. We want to know that.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, much of the information that the member is asking for has been all over the newspapers in Saskatchewan with respect to the two companies that we are negotiating with. If he cares to pick up the *Leader-Post* he can look at a column by Kevin O'Connor who indicates the two corporations who the Gaming Commission has been dealing with.

With respect to the reason that we chose two companies, I would want to indicate to the member that we felt that we wanted two types of gaming machines because of diversity and customers' requirements and their desire to have more than one particular kind of machine.

We know that we are going to be looking for 3,500 machines. And I again repeat to the member that I am not about to discuss the details before the negotiations have been completed by the Saskatchewan Gaming Commission. When those details have been completed, we will make the appropriate information available.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, and Mr. Minister. On Friday you announced that you were going to have these contracts and that they were made with two companies — GTECH and VLC. Now you are saying to the Assembly here that you haven't completed the contracts. Why did you make that announcement on Friday?

Was it because I asked a question that you couldn't answer and you didn't want to answer? Is that the reason why you put the question aside in the returns debatable and didn't have the courage to answer and then had a news release saying only part of the information was available? Will you provide the proposals and the contracts and table them in the House here today?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well let me say to the member, Mr. Speaker, that the Gaming Commission is meeting with these two corporations to hammer out the details of an agreement that will supply 3,500 VLTs (video lottery terminal) to the province of Saskatchewan. That all of the aspects, including the costs and their ability to supply, the financial stability of the companies — all of these things were under review by the Saskatchewan Gaming Commission. It came down to a short-list, from four to two. They are now negotiating with them, and I don't believe it's in the public interest to release details of those negotiations as they are ongoing in terms of finalizing the contracts.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Minister, you said it wasn't in the public interest. Twenty million dollars is being spent, of taxpayers' dollars, and you don't think it's in the public interest to reveal those contracts to the people of Saskatchewan. I think that that's wrong, Mr. Minister, and I think we should have the proposals tabled in this Assembly today, Mr. Minister. Why can't you do it?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, in answer to the member's question — and I guess I can answer it one more time — as the negotiations are being completed I don't believe it's in the interests of the people of Saskatchewan or the Government of Saskatchewan to be releasing details to the public. Clearly we are aware that we are going to be spending in the neighbourhood of \$20 million to secure 3,500

machines.

The Saskatchewan Gaming Commission are a group of very capable people. The people in the Gaming Commission I believe have all of the ability in the world to negotiate the finalization of what will be the most appropriate deal that we can reach, and that process continues.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Hon. Mr. Lingenfelter: — Mr. Speaker, as it relates to question no. 89, I would request it be converted to motion for return (debatable).

The Speaker: — Motion for return (debate).

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.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, last evening as I was speaking to this budget address I brought out a few points and I went back to the speech presented by the Minister of Finance, and there were four different points that the Minister of Finance brought out.

One of them was a plan that is committed to compassion. I think as we saw this afternoon, Mr. Speaker, again we've seen a government where there really hasn't been or isn't that sincere commitment to compassion as the ministers would like us to believe. I also brought out the point, Mr. Speaker, that there were different directions that have been taken, directions by this government and directions by other governments.

What we've seen . . . and I talked to a couple of people in the coffee shop this morning, Mr. Speaker, individuals who were talking about the budget as it was presented, and the different fiscal restraints we're facing, and the problems that taxpayers are facing with the reduction in their take-home, the bottom line that isn't there.

I pointed out to Saskatchewan people yesterday that a number of provinces and a number of businesses and employers and corporations across this country have taken a route of trying to protect jobs by offering employees the opportunity of taking a reduction and protecting jobs and having more people working, rather than cutting jobs and eliminating departments and just having no respect for individuals who are out there presently working, even long-standing public

employees.

And what did we see again today? We see a government trying to cover its tracks, and just basically indicating to the people of Saskatchewan that they really do not have a plan, and if there was a plan of compassion one has to wonder really where that plan is. Mr. Speaker, also a number of members talked about the difficulties they had in trying to adhere to the budget as it was being presented and the problems they're facing in their ridings.

There's no doubt in my mind that many government members are having a difficult time going home these days, going home on the weekend facing the electorate, facing the individuals who put their trust in them and basically said they believed them more than they believed the other two parties and sent them here only to find that they have been rejected, they haven't been listened to.

And it's very obvious as I read a headline from the *Regina Leader-Post*, Friday, March 19. The headline reads: "Caucus falls in line." And I ask myself, exactly what caucus? What does this really mean? And what it says, Mr. Speaker, the bottom line in the editorial is the fact that many of the NDP members were having a hard time swallowing the budget.

It says, and I'm going to quote, Mr. Speaker:

Finance Minister Janice MacKinnon called her budget "very difficult for an NDP caucus to swallow."

It goes on:

But not only did the caucus swallow it, says MacKinnon, they became enthusiastic supporters.

I wonder how many members, how many government members are really enthusiastic supporters. Yesterday in the budget speech debate by a number of members on the opposite side of the House there was a strong indication that indeed that enthusiasm wasn't as vibrant as maybe it was a few days ago. It seems to me that it was becoming somewhat soft.

In fact I look at the member from Regina Albert North said he was relieved when he learned the tax increases weren't even higher. But I want to indicate to him and as I'll indicate in a few minutes, the tax increases that were announced the other day, and as I said last night, this is just the tip of the iceberg. We haven't seen the bottom line on the total tax increase that is going to face the taxpayers, the home-owners, and the property owners of this province. In fact when we talk about taxpayers and we talk about a government that's talking about its priorities, one has to wonder where the priorities really are.

Another article in the Saskatoon *Star-Phoenix* on March 19. While the Minister of Finance was talking about decreasing her spending and cutting

employment numbers and cutting people out of . . . and the Premier of the province was eliminating jobs in this province, taking jobs away from individuals, the Finance ministry was boosting its budget. My colleague just raised that a moment ago in question period. I'm going to quote from the Saskatoon *Star-Phoenix*:

In the midst of layoffs, reorganization, and program cuts, one government department, which didn't exist a year ago, will nearly double its staff component next year.

Provincial Secretary Ed Tchorzewski, who gave up the finance portfolio in January because of ill health, is getting a 15-per-cent boost in his budget next year, according to government spending estimates tabled in the legislature . . .

It says, going on further in the editorial:

In 1992-93; the budget for the department was \$5.8 million, but it spent \$5.9 million (they couldn't even live within their budget) and had 20.5 government positions. For 1993-94 the department's budget rises to \$6.8 million and the number of positions rises to 36.5.

I find that very interesting, Mr. Speaker, for a government that has talked about restraint, has talked about acting responsibly. I wonder why they even committed themselves to a new department. Why did they create this Provincial Secretary and give up this . . . create this department or this portfolio. Was it, Mr. Minister, just to give another member an opportunity to sit on the front benches. Was it an opportunity for the government to give the former Finance minister the ability to continue to sit on the front benches of this Assembly, while indeed one has to wonder where his real priorities are today.

Mr. Speaker, just take a look at the numbers — \$6.8 million. That \$6.8 million could have been used in a more careful and a wiser format, Mr. Speaker. In fact it could have guaranteed a number of jobs in this province.

In fact the seven individuals who were here today — their cost to the government was only 400 . . . a little over \$400,000. So how many people could that have employed — \$6.8 million? One has to wonder about the priorities of this government.

And as I indicated earlier, "Tough budget . . ." another headline, "Tough budget will keep on taking".

It's a strong indication that many people are beginning to read between the lines. Even the editorialists are beginning to read between the lines and they realize that the taxes that were imposed by the minister the other day are just the tip, just the start.

This article says:

Real impact will be felt next year

If you're tempted to say: "It could have been worse," about Thursday's provincial budget, think again.

And I'm asking the people of Saskatchewan to take a moment and to think again. And I'm asking the people of Saskatchewan when their local governments, municipal or rural or urban, municipal governments are forced to increase the mill rates, don't go running to your councillors blaming them for increasing the mill rates on your property tax. Look a little further to the parent government that has just offloaded a fairly fair portion of their transfer funds and force the property owner to pick from the bottom up, or force the local governments to decide which programs will be there.

The article goes on to say:

The people who feel they got off relatively easy this year will pay for the privilege either through higher property taxes or reduced services down the road.

And when we look at reduced services, where are those reduced services going to come? As I've indicated, no doubt we're going to see, especially in rural Saskatchewan, a fair reduction in services in a lot of our educational facilities, in our hospitals. Nurses who were concerned two or three years ago about the jobs because they felt that possibly the former government wasn't giving the right directives, their jobs are on the line today.

Teachers who are concerned and were running around the province creating a scenario of doom and gloom about the fact that there wouldn't be jobs and who would be out there to teach the students of this province in rural Saskatchewan, they have a right to be genuinely concerned today.

As the article says:

Cuts are also on the way for school boards, universities, and hospitals. With announced plans to opt out of the GRIP farm support program in two years, without anything announced to replace it, the future of farming remains uncertain.

There isn't a taxpayer in this province, Mr. Speaker, that has been left untouched. Not a one, not from the wage-earner at the bottom level right through to the corporate structure — not a one.

And, Mr. Speaker, don't get me wrong. People at the high end, and as I've been reading some of the articles, they're individuals with substantial salaries in this province who've indicated they have no problem in paying a little more as long as we reach and show some compassion to those who definitely need the help, those who can least afford a higher tax base.

And as much as those individuals who choose to smoke or drink, Mr. Speaker . . . Jus the other day as well, the Finance minister indicated that the

government hasn't ruled out small tax increases in the sin taxes. Many people would say, well why didn't we add more to the sales tax on cigarettes and alcohol. And I suppose the argument can be, well we've just about reached the limit. And maybe that's true.

But I find, Mr. Speaker, that even if people refused to smoke or cut back . . . And as well, I think we know many people are cutting back on the use of alcohol. The facts are it's a more healthy lifestyle, not only for the person who indulges in those . . . in smoking or drinking, Mr. Speaker, but it's a healthier lifestyle for everyone else which would create a benefit to society through fewer problems in our health system.

Mr. Speaker, many people are really wondering where they will be at the end of the day. They're wondering, Mr. Speaker, what the bottom line will be when they finally reach the end of the year and the reality of the overall tax expenditures and tax grabs become real, and what they're going to have and how much they're going to have to give up in order to approve of the expenditures and approve of the tax increases . . . or they accept the tax increases as we've seen then.

Few will escape the tax collector's clutch as a result of Thursday's tough budget which hikes levies by 130 . . . 93 million and chops 108 million out of programs including programs, it says, this articles says, the NDP once held dear. As provincial offloading to the municipalities kicks in this year and next, service cuts loom, municipal representatives say.

And that's representatives from SUMA (Saskatchewan Urban Municipalities Association) and representatives from SARM (Saskatchewan Association of Rural Municipalities) who realize the big bite is going to be put on their shoulders. And, Mr. Speaker, they really don't appreciate that.

One has to wonder where this government is going with the decisions it's making by offloading all of the restructuring on local people. And they keep arguing, well the local people are asking for that opportunity; the local people want to have some say; they want to be involved. But they're not asking for all the decisions to be offloaded on them.

Mr. Speaker, in fact if we're going to offload all the decisions regarding taxation, regarding programs and administration of programs, one has to wonder if we need all the MLAs (Member of the Legislative Assembly) in this Assembly. And no doubt when we get to the discussion on the electoral boundaries Act, we're probably going to find that there will be a substantial reduction. And I don't say that may not be the right move to make, Mr. Speaker. But I think governments are elected to make sound fiscal decisions and they shouldn't pass off that responsibility on someone else, trying to offload or back out of their responsibility.

(1445)

Mr. Speaker, I believe this government did have some

options. I believe the Premier of this province and his cabinet had options. And I believe the options that the Premier could have taken . . . there were many options out there that indeed did show compassion, which showed more compassion than we've seen today. But the budget . . . and that in fact, Mr. Speaker, the budget could be balanced today if the government wouldn't have stubbornly held onto their own ideas.

In fact if the government would have forgot about the fact that the former government, the former Conservative government acted in a number of areas which were good for the province, like Atomic Energy of Canada. And like the minister of Finance in his statement a year and a half ago indicated that the major economic spin-off and indicators in this province and job creators were going to be Saskferco and Weyerhaeuser and the upgrader. Yet, Mr. Speaker, what the government chose to do was to cancel a contract and then turn around and rewrite the contract.

We look at yesterday, the announcement made by the Health minister in Moose Jaw. They made a big issue about Providence Place and about a commitment to a long-term facility in Moose Jaw. And yet, Mr. Speaker, that was in the 1991 budget. The dollars were in place. It just seems the government has been operating under a smokescreen where it wants people to believe that everything they're doing today is being done better. And yet most of the programs they're doing today were programs that were already committed to by the government of the 1980s.

When I talk about the options the government could have chosen, Mr. Speaker, I'm going to just bring forward a number of articles. But one of the main areas the government could have moved into, I'm going to show how it could have worked very well, Mr. Speaker. It could have been simple; it could have been very easy, less painful, and done more for the government and more for the people of Saskatchewan, and that's harmonization of the sales tax. To most people that's a no-no word. Harmonization, you don't want to talk about harmonization. But the reality is, what we see today, the government is engaging in selective harmonization which is a strong indication to me that indeed in the long run harmonization was the road to go.

Let me just talk about some of the columns and their impressions of the budget just presented.

One column in the *Leader-Post*, Saturday, March 20, the headline is: "Gov't missed the boat on harmonization".

And I'm just going to quote a couple of paragraphs. Mr. Speaker, it says:

MacKinnon could have broadened the tax base to include more products and services. (This year, the province will exempt nearly \$700 million worth of taxable goods and services, more than the sales tax will collect this fiscal

year.)

And that's in parentheses.

An even more radical reform would be (and the editorialist says) — dare I say it? — harmonize the provincial sales tax with the GST.

Harmonization would enable the province to reduce the rate, eliminate tax discrimination, and reduce costly duplication and confusion in administering and collecting the tax.

That's one person's impression. Here's another article, headline: "Budget leaves Sask. with three more years of gloom". There's a couple of different areas that this article works on . . . or talks about, Mr. Speaker. And I go back to the presentation made from Moose Jaw Palliser last night where he didn't . . . indicated he didn't like the fact that we were held at ransom by the credit agencies.

This individual in writing this article, editorial, says:

. . . the sad reality is that the budget wasn't written for Saskatchewan residents, it was written for the lenders and rating agencies.

And that is indeed a sad reality.

But let me get back to the point I was bringing forward about the harmonization process, talking about where the government could have found their money.

Well perhaps the best place to find the answer to that question lies in the mock budget delivered by a group of U of S (University of Saskatchewan) students this week — and we debated that last week when we presented it — where a group of university students sat down and went through a process where they laid out what they perceived as a fine and fair and equitable way of balancing this budget.

For my money, their budget was better than the one delivered in the legislature on Thursday. It called for . . . and here again it called for harmonization of the PST (provincial sales tax) with the GST (goods and services tax). Not only would it net 60 million more than the sales tax hike announced Thursday; it would allow the province to dump its collection agency because Ottawa would handle that work.

They also called for modest health care premiums that, according to their figures, would have produced 60 million in annual revenues. And, Mr. Speaker, indeed there are people right across this province, young and old alike, who have told me time and time again that premiums on health care, there's nothing wrong with them.

In fact most people would prefer to pay premiums to ensure their health care services and also guarantee that those who have, beyond their control, have illnesses that require a higher use of drug costs and billed the higher drug costs, and they would prefer to be able to be part of a program that indeed looks after

those who can least afford it.

And then I want to just bring in the point of an economist's view. And this is written by a professor at the Faculty of Administration, University of Regina. He first of all asks . . . "Spending controls needed" is the headline, and he says:

What is the best way of reducing the deficit? Ideally, the government should cut spending rather than push up taxes, because taxes are already relatively high and higher taxes hurt incentives.

Then he goes on further in his article and he says:

Therefore, balancing the budget in Saskatchewan should be sought through spending cuts rather than through raising taxes. Nevertheless, the 1993 budget raised taxes by \$193 million.

If revenue had to be raised, it should be done through taxes which interfere least with economic decision-making. This suggests that the tax base should be as broad as possible.

He goes on to say:

The worst way to increase revenue is to lift marginal income tax rates. High rates of tax encourage tax evasion and avoidance, and discourage hard work and risk-taking. One of the least interfering taxes available for Saskatchewan is to harmonize its provincial sales tax with the federal GST.

And this economist goes on and says:

According to my own estimation, piggybacking the Saskatchewan sales tax at eight per cent to the federal GST would raise an additional \$200 million a year, about the same increase in the budget as through a variety of inefficient tax measures.

And I think what we will find, Mr. Speaker, and what the Minister of Finance and this government will find, is that their tax increases in the long run are going to prove inefficient and that at the end of the day they will not have the revenue to indeed bring their budget in at their projected target without indeed turning around and making some adjustments in order to address the shortfall that they will find.

Mr. Speaker, that's just a number of leading economists and editorialists who have come to the realization that the simplest and most economical way of raising money in this province without hitting those who need it the most was harmonization. And the harmonization process also created a simpler program, Mr. Speaker, because of the fact that the feds then become the collectors, and we have already got a process in place to collect taxes.

And what do businesses think of this budget? Many

businesses and consumers, and I think all the street talk that was on the street Friday morning, people were very uncertain. And if they were uncertain Friday morning, they're certainly more uncertain today as we get further and further into this budget year and into this budget process and as people finally come to the realization of what the total impact may be.

One editorialist in the *Star-Phoenix*, March 19, '93, said:

"Budget didn't inspire confidence: consumers' rep." Thursday's provincial budget does little to inspire confidence or hope, says the vice-president of the Consumers Association of Canada, Saskatchewan branch . . .

With all the cuts, disposable income will drop and the average consumer with children at home will pay more.

"Now there's no dental plan. They'll have to pay more for drugs if children are sick. And then there's eye care."

"It costs more for a family."

Mr. Speaker, we don't have to go too far just to find that there are businessmen and women all over who are beginning to realize the significance of the cuts. In fact, the budget is not only . . . didn't inspire confidence, it's a hindrance to businessmen and women — the economic generators of this province, the individuals who create the employment for our young people.

And when I look at employment, the Minister of Finance talked about creating jobs. One headline said: MacKinnon says 2,000 jobs will result from measures. But I'm wondering where all these jobs are coming from. I'm wondering what types of jobs are going to be coming. And I'm just going to quote from the budget statement released the other day, the minister's budget address, page 8 of the budget address:

Our Government is also doing its part to provide summer student employment. Through Partnerships '93, 2,000 new jobs will be created for students in regional parks, municipalities and small businesses. And nearly \$3 million is being provided for summer student employment in government departments. This has the potential to create 450 more summer jobs . . .

The New Careers Corporation will implement a cost sharing arrangement with southern municipalities and regional parks to create over 1,600 jobs.

Mr. Speaker, the jobs that are talked about here are strictly summer employment. People are looking for something long term. And yes, we need to address the needs of the students out there and the employment.

But this isn't very significant when you think about the fact the long-term implications of the jobs that are needed and the students that are in school today who are looking forward to finishing their education and becoming part of the workforce.

In fact if I could add a word, I would suggest to students that they not only look at who can provide the jobs for them or where the jobs will be that they can enter into when they finish their education. Maybe it's time that our young people realize that they don't always have to look at contractors, corporations or government or businesses to give them a job; maybe we need to inspire our young people to look at ways and means in which they can be the employer employing individuals. Encourage them to look at ways and develop some of their ideas and maybe go out and create their own job, build their own job, or create their own business. And instead of looking for a job, indeed they'd be looking for people to come and work for them — maybe one, two, three, or maybe a hundred individuals.

Mr. Speaker, I think that's one of the areas that we could certainly look at in building this province and inspiring people to become involved in this province because this province really does have a lot to offer.

As I've indicated, one has to wonder how many businesses will really want to look at coming to Saskatchewan or will really be impressed by the budget. I guess time will tell. And in the mean time a lot of people are going to have to look at how they're going to tighten their belts in order to meet the immediate needs of the tax grab that has been placed upon Saskatchewan people.

When I talk about the tax grab I just think about clothing, and I'm just going to quote from the *Leader-Post*, March 19 headline: "Clothing, shoestores expect tax to hurt." What really upsets is the government went back on its word. This is what one businessman said, what really upsets is the government went back on its word.

The thing that's really going to bother me the most is they got elected by taking it (the tax) off," he said.

Remember that slogan? Don't pay any more PST as of midnight October 21 because we're going to eliminate the PST. And how many people fell for that? How many people literally believed that the government was going to eliminate actually not the provincial sales tax, or the PST as the government labelled it, but the education and health tax? Most people couldn't associate the difference. And at the end of the day all they found was that they eliminated it on food and clothing and restaurant meals and hotels. That's a broken promise, this businessman said, a very blatant broken promise.

So now as a businessman in the retail business, he now finds that the sales tax is not 7 per cent, not an expanded or harmonized provincial sales tax with the GST of 7 per cent; he finds it's a 9 per cent education

and health sales tax on clothing products.

The fortunate part, and I'll give the minister some marks, the fact that they realize that young children who are growing very quickly, parents with young children, certainly it's appreciated that they gave them at least the tax break on that clothing, because we know what it's like trying to clothe young people. And I'm not sure, I think many of the ministers might be aware of that, but maybe the Speaker is aware of the fact that his children are buying their own clothes now and he doesn't have to worry about it. But in fact most men and women, young working people, are very thankful that at least for children the tax isn't there.

But the reality is it's going to hurt people. Mr. Speaker, there are so many other areas that I can get into, so many other areas that I can talk about in this budget, of what this budget has done to hurt people in Saskatchewan. I could get into people on drugs.

(1500)

And I've already had calls, a number of calls into my office. I talked to my secretary again today. People in a lot of cases, they're elderly widows who are on very expensive medication in some cases. In some cases it's problems, asthmatic problems they have, and even young people with asthmatic problems. I know of one individual who prior to this budget was paying \$600 a month just for the oxygen so he could live a decent life.

Mr. Speaker, once this . . . (inaudible interjection) . . . And the member from Saskatoon says, they've got coverage. But when you look at the type of coverage, the coverage for most people, indeed they're going to end up spending more money than they were under the old program. It doesn't address the real needs of individuals.

I could get into the program cuts in the drug plan. I could talk about the dental plan and how it's going to hurt individuals. And the government talks about the fact that maybe bringing back the school-based dental program. Well if they want to save money, I would say, Mr. Speaker, they best look at job creation and the jobs that are already out there rather than instituting another program that becomes a major cost to the taxpayers of this province.

Mr. Speaker, as I wrap up my comments today I want to make a few comments on the fact of this . . . talking about a government of betrayal. This government, Mr. Speaker, as I've pointed out through a number of the articles, has certainly betrayed the people of Saskatchewan. And as I just read . . . in fact it broke a number of its promises to the people of Saskatchewan.

Quoting the *Star-Phoenix*, September 21, 1991, we heard the Premier today, while he was in opposition, saying he would cut, not increase taxes. End quote. Quote: The NDP Party promised to abolish the provincial flat tax. Quote: We're not going back to taxing people.

And yet every time we turn around, all these quotes obviously fell on deaf ears. Once the election was over they forgot all about everything that was said — a strong indication that the only reason those comments were made was to end up on that side of the House, rather than being truthful and open and honest with the people of Saskatchewan so the people of Saskatchewan knew exactly what they were voting for.

They said this to get elected, and unfortunately it worked; they were elected. We see the NDP have been in power for almost two years now and Saskatchewan people are nearly taxed to death. And most economists will indicate we've probably reached the limit of taxation.

No one is rolling in the dough out in small town Saskatchewan. Businesses are squeaking by on what consumers are able to spend. And we find they're spending less and less and less. And I'm afraid it isn't going to get any better with a 16 per cent sales tax in this province. Each and every time the NDP government increases taxes, each and every time that they increase utility rates, the consumer's take-home pay, disposable income of Saskatchewan residents, decreases.

We ask how many people are receiving increases to keep up with government grabs. How many? I don't really know. I don't know if there are any.

Mr. Speaker, I would be the first to support the government if they made the right choices; if the Premier kept his word, like 4.5 billion is enough to run a government. But I'm wondering, and one has to wonder why he is not keeping his word, why he is not keeping his promise of limiting government expenditures to 4.5 billion.

Instead he's increasing expenditures, and a number of economists have pointed out the fact and most people believed when the Minister of Finance was presenting or getting ready to present her budget the most appropriate way of addressing the deficit was to cut expenditures across the board and hold taxes down, cut expenditures 2:1 to tax increases. But we saw when the budget came down at the end of the day, it was almost two times the tax grab versus expenditures.

If this government was truly working toward the revitalization of Saskatchewan's economy, Mr. Speaker, they would hold the line on tax increases. They would get the unemployed working, and I believe it was one of the members opposite who indicated that one day we're going to have full employment. Well I'm not exactly sure if full employment is achievable, but certainly it would be an excellent thing to work for. But it's not always easy to get everybody . . . or find everybody willing to work.

They would attract businesses to Saskatchewan. They would promote building. They would try to get the economy rolling. In fact, Mr. Speaker, I believe if the

Premier and his colleagues in this government had indeed made the right choices, that at the end of the day people of Saskatchewan would have been more than willing to work with them, but as the reality of the tax grabs come over the next year and a half Saskatchewan people are going to become more and more fed up.

I think, Mr. Speaker, what people are looking for today is a government that would be more open, be more honest, would indeed live up to the promises, and not make promises that they can't keep. I think, Mr. Speaker, as my colleagues and I have indicated, and as we get into further debate on the budget, and as we get into estimates, we will point out to Saskatchewan people that yes, and point out to the government yes, Saskatchewan people are people . . . are resilient people. They're willing to work. They're willing to give men and women who they've elected into positions of authority the ability to try and work out a plan. But they want to know that the men and women they've elected to represent them are going to let them know what the real truth is; they're not going to hide behind facades and at the end of the day turn around and do totally opposite of what they said they would.

Mr. Speaker, I cannot support this budget and I will be voting against the budget.

Hon. Mrs. Teichrob: — Thank you, Mr. Speaker. I'm pleased to lend my support to the budget for the 1993-94 fiscal year. More than anything else, the budget for this fiscal year makes clear what this government is all about.

Sometimes governments at all levels lose sight of their objectives because they become preoccupied with processes and procedures. Bertrand Russell once said: democracy is the process by which people choose the man who will get the blame.

I'd like to think that our purpose goes much deeper than that. We're not here for the sole purpose of scoring points on each other. We're not here to squabble over things like jurisdiction and procedure. That would amount to putting our own interests as legislators before those of the people we serve, and that's wrong.

Governments exist to serve their people. They exist to improve the quality of life for the people they serve, to provide a sense of security and a feeling of hope for all their citizens. As soon as we stray from that, we're no longer doing what we were put here to do.

Mr. Speaker, this budget is all about securing Saskatchewan's future. It spells out a plan that allows us to face the future with confidence, with renewed optimism that Saskatchewan can once again be a good place to live and to work.

Not that long ago there was a premier who talked long and loud about bringing home the children. If you want some idea of how successful he was, go stand on the Alberta-Saskatchewan border at the start of a long weekend. Mr. Speaker, this government wants to

bring the children home to stay, not just for the long weekends.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — This government wants people all across Canada to think of Saskatchewan as a good place to be rather than a good place to be from.

How do we do this? By giving them reasons to stay and reasons to return. By working to give them economic security and renewed hope that a decent living can be made here once again. By showing them that the Government of Saskatchewan is their government — a government whose main objective is meeting the needs of its people rather than its own, by getting our own financial house in order before we ask for sacrifices from the households of the people that we work for.

Lastly, by demonstrating that the road to responsible budget management doesn't have to be paved with abandoned programs, particularly for the less fortunate. A commitment to living within one's means doesn't have to mean that we stop caring about one another or stop helping one another.

Economic security and renewed hope; better government rather than more government; living within our means; caring for those in need — that's what this budget is all about, Mr. Speaker, and that's why I'm proud to support it. This year's Education allocation reflects those four objectives.

A total of \$871 million is being provided to meet the needs of our 300,000 students of all ages in 1993-94. Education remains a top priority with this government. It continues to be the second-largest item in the provincial budget, behind only Health.

Moreover the needs of students still come first. Most of this department's budget for '93-94 is money that we turn over to third parties at all levels of the school system so that they can do their job. Roughly 96 per cent of the total department spending goes to K to 12 schools, post-secondary institutions, and individuals in the form of third-party grants. Only 4 per cent is used to meet our own internal needs.

Let me put it another way. As was the case last year, 96 out of every education tax dollar will go to meet the needs of Saskatchewan students and their instructors. Only 4 cents will be used to meet the cost of running the department.

Major third-party grants for the 1993-94 fiscal year include 358 million in operating grants to K to 12 schools; \$169 million in operating grants to the universities; and 69 million to the Saskatchewan Institute of Applied Science and Technology.

Other grants include a combined total of 5.8 million for the federated and affiliated colleges, and 6.1 million for Saskatchewan's regional colleges.

In addition, 44.3 million has been allocated for capital

spending this year. This consists of \$20 million for new K to 12 facilities; 6.1 million for post-secondary facilities; and 18.2 million for interest payments on previous K to 12 projects.

Capital spending is up significantly from 7.5 million on K to 12 projects last year and 3.1 million on post secondary.

More than 10.7 million has been allocated for various distance education initiatives in 1993-94. This is one way of making learning opportunities more readily available to students in rural and northern areas, something that's tailor-made for Saskatchewan's needs. We will continue to support programs that make K to 12, university, technical, and other courses available to students outside of major urban centres.

Funding for this year includes 4.7 million for the Saskatchewan Communications Network and 3.9 million for the Saskatchewan skills extension program. In addition, 1.5 million is going to the regional colleges for their distance education programs, 351,000 to subsidize the correspondence school enrolment, and 200,000 to the university's library outreach program.

Mr. Speaker, we will also be providing more than \$12 million to meet the learning needs of Saskatchewan's Indian and Metis students this fiscal year. Saskatchewan's school population reflects provincial population trends. The Indian and Metis population now makes up 12 per cent of the provincial total and this is expected to rise to 18 per cent within 15 years.

More importantly, roughly 18 per cent of Saskatchewan's school-age children now are of Indian and Metis ancestry, and this is expected to grow a great deal in the future. Students of aboriginal ancestry will make up a steadily growing proportion of our total student population and we must be ready to meet their needs.

In response to these needs, we've allocated \$4.8 million for non-status Indian and Metis training programs and 2.6 million for northern training programs. There is also 1.3 million for the Saskatchewan urban native teacher education program or SUNTEP, and 1.3 million for the northern teacher education program.

In addition, a core grant of \$751,000 has been provided to the Gabriel Dumont Institute; \$334,000 to the Dumont Technical Institute; and \$660,000 to the Saskatchewan Indian Federated College.

K to 12 initiatives include integrating Indian and Metis content into existing courses of instruction, developing new courses specifically for these students, and increasing community participation in the affairs of our schools.

(1515)

Our schools are now providing education and training to our labour force of the 21st century.

They're educating our citizens and decision makers of the 21st century.

We want to ensure that today's Indian and Metis students have every opportunity to prepare themselves for the occupation or career of their choice. We want to make sure that they have every opportunity to be leaders in our communities, and work with us in shaping our future.

Other items of note include an increase for the equalization factor of 1.4 points for 1993-94. At a time when money is very tight, it is essential that our commitment to equalization remains strong. This is the factor in the distribution of the money to the K to 12 system that takes into account the assessment and the ability of school divisions at the local level to raise money.

In addition, there will be no significant changes to the foundation grant formula this year. This year's operating grant pool will be smaller, but we did not want to put too much pressure on local boards by addressing the formula at the same time. In addition, we want to coordinate any changes that might be made with the outcome of the task force of the Saskatchewan School Trustees Association on governance, which is not yet complete.

Mr. Speaker, we recognize the fact that education funding is the single best investment for the future that we can make. Most of our K to 12 students will work at jobs that don't even exist today. Current estimates show that by the turn of the century 75 per cent of all jobs will be new. Within 10 years, three-quarters of all jobs will require skills and abilities that have yet to be defined. Long-established occupations are changing or disappearing completely. We know that this province can no longer rely on its primary resources for economic security.

Today's growth industries are in the service sector — a broad range of activities that covers everything from transportation to communications, from insurance to real estate. What they have in common, what defines them as service industries, is that they produce a service of some kind rather than a good.

The growth industries then are those where you work with your mind rather than with your muscles. Also, even the primary resource sector is becoming more knowledge intensive. The things we grow and harvest, or mine and process, are influenced more and more by what goes on in classrooms and laboratories.

Our support for education will therefore play a key role as we work towards the goal of economic security for the people of Saskatchewan. Over the long term our education investment will help to see us through our current financial straits, and believe me, Mr. Speaker, there is still some tricky navigating to do before we reach open water.

Eleven years ago, in the final year of the Blakeney administration, the Education budget was more than \$500 million. Debt servicing charges were zero, nil,

nothing. Members opposite should be able to grasp that the Education budget therefore exceeded interest on the debt by more than \$500 million. Now after years of Devine rule, interest on the debt is the third-largest item in the entire budget. We will be spending . . .

The Speaker: — The member is not to refer to people by their surname or their first name but by their constituency.

Hon. Mrs. Teichrob: — Sorry, Mr. Speaker. We will be spending \$847 million to service the debt in 1993-94. That's only \$24 million less than we're able to give to education.

Just think about that for a minute. With that \$847 million, we could more than triple the operating grants for the K to 12 schools. We could provide five times as much money to our universities in the form of operating grants. We could build nine new College of Agriculture buildings. We could fund SIAST (Saskatchewan Institute of Applied Science and Technology) for 12 years and the regional colleges well into the 22nd century.

I'm sure members opposite are thinking — if they're thinking — if wishes were horses, beggars could ride. My reply to that would be, if Tories could add, there'd be horses for everyone.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — Nevertheless the fact remains that the difference between education spending and debt servicing charges has gone from 500 million to 24 million in just one decade. For that very simple reason, we were not able to be as generous with our education partners as we would have wished.

Last year at this time we announced education funding for both 1992-93 and for the coming fiscal year. The just-announced grants for 1993-94 are consistent with what we told school officials last year.

I met with our stakeholders again prior to this year's budget to confirm their funding for 1993-94 and also let them know what they can expect in '94-95. This allows local school boards and post-secondary institutions to again plan two years ahead in terms of program, staff, and facilities.

I informed them that operating grants for K to 12 schools, universities, federated colleges, and SIAST will be reduced by 2 per cent in '93-94. The regional colleges will see a 1 per cent decrease. This will be followed by an across-the-board 4 per cent decrease in their grant levels for '94-95.

Mr. Speaker, I wasn't expecting a standing ovation for the message I brought them and I can report that I certainly didn't get one. But I did sense that there was a good understanding of why we're proceeding as we are. I know that our education partners understand that fiscal responsibility, living within our means, is no longer a matter of choice. And they expressed their

appreciation for the longer-term plan and said that they would much rather have a more severe reduction and know that it is part of a long-term plan, than have a lesser cut and keep having the tail of the dog cut off an inch at a time. So they were very, very understanding.

And we know that there are over 10,000 dedicated classroom teachers out there in the K to 12 system, and others in the post-secondary that are supportive of our long-term plans to make education stronger.

Jonathan Swift once said: 'tis pleasant to observe how free the present age is in laying taxes on the next. We had 10 years of that, 10 years of mortgaging the future for present convenience. It got us where we are today, awash in red ink, with the lending institutions of the world watching what we do very carefully.

So the Government of Saskatchewan must make hard decisions now. If we don't, then bankers in Toronto, London, and New York will make decisions for us, and they will not be sensitive to our needs.

Mr. Speaker, we are working to restore simple common sense to fiscal policy by dusting off the principle that you don't spend more than you can afford; you live within your means. I believe the people of Saskatchewan understand this. They expect their government to be no different than any individual household, small business, or farm in terms of tailoring expenditures to income.

We aren't proceeding as we are because we think it will be popular. We're doing it because it's the right thing to do.

Some Hon. Members: Hear, hear!

Hon. Mrs. Teichrob: — In fact we're now at the point where it's the only thing to do.

I fully recognize that our school boards and post-secondary institutions will be challenged by these measures. I've asked them only to understand why we're acting as we are, and I very much appreciate their patience in this regard.

Education and Health, combined, account for roughly half the entire provincial budget. These areas must contribute to getting Saskatchewan back on its financial feet. When this is done, the \$847 million per year that we now spend servicing the debt, will once again be available to Saskatchewan schools, hospitals, small businesses, and farms. In addition, I firmly believe that we can accomplish a great deal by making better use of what we have.

The recently announced Children First initiative is one such example of an integrated approach to public policy. This approach allows government and non-government agencies to work together to meet locally identified needs.

Our challenge is to come up with new approaches and new partnerships in designing and delivering all

public services, including education. The various K to 12 and post-secondary reviews are coming up with many interesting suggestions in this regard. They're identifying new possibilities in terms of how we might avoid duplication and deliver joint programming. They're also putting forward suggestions on how we can better develop the unique strengths of individual levels of the school system. We look forward to working on translating these ideas into action in the days ahead.

We also need to look at this in terms of how we, government, can better organize what we do. For example, our Premier recently announced that the labour market planning branch and the summer employment program would be transferred to Saskatchewan Education from the Department of Labour. We also assumed responsibility for the New Careers Corporation. This has given us a brand-new Department of Education, Training and Employment. The objective here is to better coordinate our efforts and to improve the efficiency with which we deliver our services. A related objective is to build stronger links between all levels of education, training, and employment. Learning is for life no matter what your occupation.

We need to focus the programs we offer more effectively on this objective. I also hope we can do more, not just in terms of partnerships between institutions, but also with the community at large. Everyone in this province has a stake in our schools. Hopefully we can get everyone more involved in understanding what we're doing and in working with us toward our goals.

These goals were clearly spelled out in this year's budget — economic security and renewed hope, better government rather than more government, living within our means, and caring for those in need. Within this framework the overriding goal from our department will be to work with our stakeholders and the public at large in providing quality education at a cost the people of Saskatchewan can afford. By quality education, I mean learning opportunities that give our students a reasonable chance at economic security and fulfilment of their personal goals.

Individuals with a sense of security and hope build communities with the same optimistic outlook, Mr. Speaker. Strong communities build strong provinces. Ours can once again be such a province. Saskatchewan can once again be a place where people want to be, rather than be from.

Mr. Speaker, I will be proud to support this budget. Thank you.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Thank you very much. It took a moment, but I knew there'd be an enthusiastic audience, Mr. Speaker.

I want to begin by congratulating the member from Milestone-Bengough for her comments in seconding . . .

for being chosen to second the motion and in seconding the motion. I also want to congratulate the current Minister of Finance for what I think was a remarkable achievement.

Before doing so, however, I want to make mention, Mr. Speaker, of her predecessor, the Deputy Premier. It appears, Mr. Speaker, now to be almost self-evident that this government should be dealing with this province's debt. To put it mildly, however, it was not self-evident when the member from Regina Dewdney took the reins of the Finance department in November 1, 1991.

We're coming out of an era, Mr. Speaker, in which Conservative governments federally, provincially, and internationally had spent enormous sums, run up enormous debts, and in which no one had really dared tackle the problem of debt. On November 1, 1991, the notion that a government should deal with debt as one of its priorities was something new in the North American landscape.

Mr. Speaker, the member from Regina Dewdney provided that leadership, was a forceful advocate of fiscal reform, and indeed, I think persuaded many of his colleagues that this government should begin by putting its financial house in order.

I recall, Mr. Speaker, meeting with a banker from out of the province, who had known the member from Regina Dewdney in the '70s. He met him again; said there was a difference; said now he was a man with a mission. Indeed he did have a mission. His mission was straightening out the finances of this government. And, Mr. Speaker, I think he may well be very proud today of the course he has charted and the success to which it eventually led this government.

Mr. Speaker, I also want to congratulate the current Minister of Finance for the deft handling of a very difficult budget. When the basic decisions about this budget were made by the Minister of Finance, the members of Treasury Board, cabinet, and caucus in December and January, it was anything but obvious that this basic approach would receive fairly widespread support. Indeed it looked in midwinter to be a very dangerous thing to be doing.

(1530)

It appeared, however, Mr. Speaker, to be the only responsible thing to do. And so under the leadership of the member from Saskatoon Westmount, we took that course. And I may say, it appears to be remarkably successful.

I think members of the opposition reflect the general public acceptance of the budget in question period when they . . . I'm not suggesting they avoid the subject, but neither have questions about the budget been anywhere near as prominent as I would have expected. Their failure to raise the issue in question period suggests that this government is on course, and it's on a course, Mr. Speaker, which virtually no one would have predicted 16 months ago would have

received popular support.

Mr. Speaker, I want to say that I think we could characterize this government's mandate by saying it's a mandate for change. In an unprecedented number of areas across the spectrum of government, we're undergoing rapid change. We're undergoing rapid change in the field of health care. And once again, I want to congratulate all those who have been involved — the minister, the health and social services committee of caucus who have worked so well and so closely with her.

Mr. Speaker, I have an uncle in Vancouver. He has not . . . it is one of his proud boasts that he has not voted NDP and probably never will. Often during the summer, Mr. Speaker, we get together for a family get-together and I usually expect something from him which will remind us of our political differences. Last summer I didn't actually make the family reunion, but my wife who did brought back a poster which he had carefully saved for me. Came out of a doctor's office in Vancouver and was a take-off on the no-smoking ad, with the picture of a person smoking and then a stop sign across . . . a circle and a cross through the centre. Underneath was not: this could be dangerous for your health, but this man could be dangerous for your health — it was a picture of Mike Harcourt. It was in a doctor's office, and that was the style of their campaign against the Harcourt government.

This government, Mr. Speaker, has gone further along the road to wellness, and we have done so with the general acceptance of the public and the medical profession.

And that is a truly remarkable achievement. It's a remarkable achievement, Mr. Speaker, when one thinks of what's going on in other provinces, à la the Harcourt government. It's a remarkable achievement when you think of our history. It has been obvious for a long time that to those who are close to the situation, that we have a health structure which is in need of reform.

Ross Thatcher tried to tackle the problem of rural hospital reform and wound up beating a hasty retreat. We didn't tackle it in the '70s; there was frankly no financial need to. The Devine government toyed with the problem in the Schwartz report, but also fled in terror. We're well on the way to solving this old problem. We are doing so to the general approval of all concerned. And that is a truly remarkable achievement, one of which members of this government can be very proud.

Change, Mr. Speaker, is also under way in the area of economic development — another area where I think this government can claim some success. For a lengthy period of time economic trade and development consisted of attempting to induce outsiders to come to Saskatchewan and do the job for us. And thus we have Saskferco — Saferco, and Weyerhaeuser, and the Bi-Provincial upgrader. The list goes on and on and on.

When the Devine government coined the phrase "open for business," it was nothing more than a call to outsiders to come and do the job for us. That day is past, Mr. Speaker, and we have a different approach. Our approach now is not to call on outsiders to come in and take over and do the job for us. The approach in economic trade and development, Mr. Speaker, is now to work with local Saskatchewan business people and build from within to develop, foster within this province, an entrepreneurial class, something in many ways we have not done in the past.

In those three areas, Mr. Speaker — finance, health, and economic trade and development — I think we've some very real achievements.

Mr. Speaker, the throne speech and the budget speech outlined the beginning of what I think will be seen as an historic change for the province of Saskatchewan. This session offers a program for renewal and a way to deal with our current economic adversity. It provides a framework for rebuilding the province.

The throne speech in many ways, Mr. Speaker, marked the end of an historical period in Saskatchewan dominated by certain ideas and the beginning of a new period of ideas. The defeat of the Progressive Conservative government in Saskatchewan, the election of President Clinton in the United States, and the inevitable defeat of Brian Mulroney, had he chose to run in the next election, marks the end of an era. It is useful to pause for a moment, Mr. Speaker, to determine whether or not any conclusions can be drawn from this era.

I refer now, Mr. Speaker, to a German philosopher who has a name which sounds similar to the member from Moose Jaw Carlton. Georg Wilhelm Hegel was a philosopher who lived approximately a couple hundred years ago in Germany. He formulated what is described as the dialectic theory of history, provided a way of looking at historical events.

He saw history as if it were a huge pendulum which swung back and forth through time. And he divided most events into three stages. The first, he called the thesis, often a period of reform and rapid change. The second, Mr. Speaker, was often a period of reaction, which he called the antithesis. The third period was the synthesis.

This, Mr. Speaker, is a useful way of looking at the period of time since the mid-'60s. The period from the '60s to the mid-'70s might be roughly described as the thesis. It was a period of enormous idealism. While there were undoubtedly some excesses, there was much that was good. The just society — a phrase used equally by Prime Minister Trudeau, Presidents Johnson and Kennedy — did much to re-establish North American society as humanitarian and egalitarian.

It was a period in which public discussion focused on the state and the good the people could accomplish collectively. Individual greed was eschewed and condemned. Idealism, acting through government,

was thought to be the way to improve society.

About the time of Watergate, Mr. Speaker, the public became disenchanted with collectivism and turned instead to more conservative regimes. And this probably marks the beginning of the antithesis. The reaction was led by Reagan and Bush in the U.S. (United States), Mulroney in Canada, Devine in Saskatchewan. All took a radically different approach to public affairs. Private enterprise was advocated as superior to public enterprise.

Idealism and altruism were replaced with self-interest. The collectivism of the '60s became what Tommy Douglas called the me-ism of the '70s. I heard him discuss this at a picnic in Regina in July of 1978. He gave, Mr. Speaker, the prayer of the modern man: God bless me, my wife, my son John, his wife, us four and no more.

Mr. Speaker, there are no examples of great or even successful societies being founded upon individual greed. The me-ism and the greed of the '80s are no exception to that. One is hard put to name a single beneficial legacy from the '80s. Anyone can name the litany of problems that resulted from this decade. The fall of people such as Donald Trump, Robert Campeau, Mr. Speaker, are manifestations of the same phenomena as the Tory government in Saskatchewan. It was the sacrifice of public goals on the altar of private greed.

An eastern newspaper, Mr. Speaker, about a month ago noted in an editorial that President Clinton's challenge is not the deficit. The deficit is but an outward manifestation of a much greater malaise in North American society. And that malaise is the public . . . is the loss of the public sense of their collective goals. The editors of that newspaper pointed out that Clinton's real challenge is to convince the American people of the need for an interventionist government. He campaigned on that and he has started his term of office by focusing on the deficit. Mr. Speaker, the '80s left the U.S. government as it left this government, under the tutelage of members such as the member opposite, so enfeebled as to be unable, Mr. Speaker, to act in the collective good.

The era of me-ism, privatization, and trickle down is thankfully drawing to a close. Bush, President Bush joins . . . Mr. Speaker, I wouldn't expect the member from Wilkie to have a very clear understanding of the problems of the '80s. He played some small role in creating them. I wouldn't expect him to understand them very well. Mr. Speaker, Bush was defeated by a fellow southerner, but one who espouses a new liberalism. And in spite of a rocky beginning, Clinton will probably succeed simply because the excesses of the '80s are obvious to all but the wilfully obtuse, of which one doesn't have to look far to see examples.

The perverted conservatism of Thatcher and Reagan probably reached its pinnacle in Saskatchewan when the Devine Tories took a government from a state of excellent health to a state of near collapse in less than

10 years.

I heard my colleague from Regina Lake Centre aptly summarize it by saying that when Devine took office in 1982 he announced Saskatchewan was open for business. By 1991 he was saying that the whole world had declared economic war on Saskatchewan. It may well be, Mr. Speaker, our burden to suffer the worst excesses of the '80s.

It ended in Saskatchewan in the summer of 1991 when the PC government had to prorogue this legislature because they couldn't confidently face a non-confidence vote. What continued until October 21, 1991, was simply the death throes of a terminally ill government. We've now entered, Mr. Speaker, the period of the synthesis. We're no longer able to command the money or I think the optimism of the '70s regarding future growth. In that respect we're not returning to the '70s. However, we are prepared courageously and realistically to face the economic realities of the '90s and the debris left from 10 years of me-ism.

We are redirecting people's attention to the collective goals and opportunities. We're providing precisely that focus when we focus upon the government deficit. Mr. Speaker, we are restoring to good health the central instrument through which collectivism that we espouse and believe in will be effective. It is only right and sensible that we begin by restoring the central instrument of our will.

(1545)

Those who claim we are betraying the Douglas government simply have no understanding of the history of this province. Because the Douglas government took over in a period which was very similar — a period in which a Conservative . . . a Liberal government had been in office, which had left the province virtually bankrupt.

Mr. Speaker, that government began its term of office by restoring the province's finances. And like that group, we have also begun by restoring the health of the central instrument through which our collective will is going to be felt.

Mr. Speaker, continuing the profligate spending patterns of the PC government has the capacity, if left unchecked, to place this government in danger of collapse. Even if this were not the case, restoring integrity to government finances is a logical starting point on a goal to returning government to its historical role as a central instrument through which our collective will is to be effected. And our challenge, like Clinton's, is to restore to the public their sense of their collective goals.

If this government is to be more interventionist in the '90s, as I think it almost certainly will be, it makes sense that the central instrument government should be well financed.

Mr. Speaker, the same process is at work in the area of

labour law, which I want to touch on for a moment. In the '70s, in an age of idealism, a fair amount of new labour legislation was introduced. Then during the 1980s the pendulum swung wildly in the other direction. The net result, Mr. Speaker, has been to leave working people far worse off than they were before 1982.

For example, in real terms the minimum wage is now lower than it was in 1982. In fact, over the last two decades, minimum wage-earners have suffered a 16 per cent decrease in purchasing power while average wage-earners have suffered a 3 per cent decrease in purchasing power.

Mr. Speaker, that speaks volumes about the priorities of members opposite when they were in office. Minimum wage-earners have suffered a 16 per cent decrease in purchasing power when they were in office versus a 3 per cent decrease for other wage-earners.

Unemployment rates went from below 4 per cent to the 6 to 10 per cent rate today. Job security was not an issue at all; it is now an issue of vital concern. As Mr. Blakeney, who used to sit in this House, once said, this is the first generation to say . . . the young are the first generation to say, not when I get a job I'm going to, but the generation perhaps represented by the pages here are more likely to say, if I get a job, then I'm going to. The language has changed and it speaks volume about the change in security.

Part-time workers is another area in which issues are now pressing. Part-time workers constituted only 11 per cent of the labour force in 1982; now they make up 18 per cent.

Today, Mr. Speaker, we need to take into account the economic conditions we face. The other night, Mr. Speaker, I was listening to a late night newscast on a U.S. channel. The economic report began with the Japanese Nikkei stock report. It struck me, Mr. Speaker, that the New York Stock Exchange is no longer the only important world exchange. We live in a global economy, and if we are going to be successful in this province, we must compete in a global economy.

We cannot compete in the global economy with workers and the employers confronting each other. We are only going to succeed in competing with Europe and Asia if they're able to cooperate. And that is what we seek to do as a central goal of labour legislation, is to induce a mood of cooperation. We want to get that pendulum stopped in the centre.

But, Mr. Speaker, this process begins with the recognition that at the moment that pendulum is away up on the right-hand side of the arc. Nobody is talking about stopping the pendulum where it is — that's inherently unstable — stop it on the right-hand side of the arc. We want to get the pendulum centred and then get it stopped. Get it balanced.

Mr. Speaker, my colleague, the former minister of

Labour, introduced two important pieces of legislation last year which began this process. One was The Construction Industry Labour Relations Act which introduced and brought some measure of peace to a troubled industry, the construction industry.

He also introduced and this Assembly passed, The Pension Benefits Act. Mr. Speaker, this province now has the most progressive pension legislation in Canada, bar none, and that's a fair accomplishment. It means a great deal, Mr. Speaker, to people who, unlike members of this Assembly, have cause to be concerned about the security in their so-called golden years. We have the most progressive pension benefit legislation in Canada; that's something of which we can be quite proud.

Mr. Speaker, I hope in six months time we can say the same about The Occupational Health and Safety Act and the workers' compensation legislation, which I hope is introduced in this session. It would be premature to get into any sort of a discussion about it. Suffice it to say there've been extensive discussions with employees, unions, employers, and I hope, Mr. Speaker, soon to be able to introduce that legislation.

It is also a personal goal, Mr. Speaker, for the 1994 session, to complete the legislative reform in labour and introduce new and reformed trade union Bill and labour standards Bill which, in these areas as in the previous areas, will put us into a position of leadership in the Canadian mosaic.

Mr. Speaker, a word about these. The Trade Union Act review continues. We had once hoped it might be introduced in this session. That now appears unlikely. There is however a commitment to the government to change this Act and we hope this will happen during the 1994 session at the latest. A review of The Labour Standards Act, which protects those who aren't subject to a collective agreement, will begin later this spring. We also hope to introduce a new Bill in 1994.

Again, Mr. Speaker, we're looking at the workplace of the '90s, and how legislation can improve the workplace for working people and make our labour force competitive and productive. A new Labour Standards Act, Mr. Speaker, will complete the reform of every major piece of this province's labour legislation.

Mr. Speaker, these reforms to our labour law are an essential part of this government's strategy in its mandate for change and in its mandate for reform. They're aimed at developing a cooperative approach between labour, business, and the government.

Mr. Speaker, these initiatives are an integral part of the Speech from the Throne and the budget speech. And the mandate, Mr. Speaker, outlined by these two speeches, will go a good distance towards resolving this province's difficulties and restoring this province, Mr. Speaker, to a position of leadership in the Canadian mosaic that I'm convinced we will soon have.

It must be obvious, Mr. Speaker, that I will be supporting the budget speech.

Some Hon. Members: Hear, hear!

Mr. Cline: — Thank you, Mr. Speaker. I'm very pleased to rise today in support of the budget presented by my colleague last Thursday, the Minister of Finance, the member for Saskatoon Westmount. And I'm very pleased to be speaking in this debate on behalf of the people of Saskatoon Idylwyld.

The people I represent, Mr. Speaker, look to this government for leadership in very difficult times. I don't think they're particularly interested in laying blame for our province's difficult financial situation. I believe that they have a fair idea how we came to be in the place where we are today. What they want is some action from us that will lead Saskatchewan and its people to a better day. This takes long-term planning and a measure of vision for the future.

Vision, Mr. Speaker, requires a plan and a sense of direction and hope for the future. So I looked to the budget to see if it contains a plan, whether the plan is a good one, and whether it offers hope to our people.

The speech deals with sound financial management. And it is trite to say, but nevertheless true, that you cannot build on an unsound foundation. You can only build from strength. That is true in our households, it's true in our businesses, it's true on our farms. And what it means to me, Mr. Speaker, is that in the context of the provincial government we have to live within our means, and that means that we have to get the current financial situation under control.

The Government of Saskatchewan has inherited a \$15 billion debt. Approximately \$10 billion of this debt is debt on the operating side of government, that is our line of credit. Approximately \$5 billion is debt of the Crown corporations.

And what does this mean, Mr. Deputy Speaker? In simple terms, it means that the Government of Saskatchewan has a mortgage of \$5 billion on its Crown corporations and it has a line of credit of \$10 billion. With respect to the \$5 billion debt that the Crown corporations have, Mr. Speaker, they'd — Mr. Deputy Speaker, I'm sorry — they do not cause me a great deal of concern for this reason: that the Crown corporation debt is secured by assets of the Crown corporations which far exceed the amount of its debt. And to my way of thinking, it's not much different than having a mortgage on your home.

But I am very concerned and I think the public is concerned about the \$10 billion we owe on our operating line of credit. To put it in simple terms, understandable terms, a \$10 billion operating line of credit for a government which has an annual income of \$4.5 billion approximately, would be the equivalent of a family with an income of \$45,000 having a VISA bill of \$100,000, or a family with an annual income of \$25,000 having a VISA bill of

\$50,000.

Now most of us would be concerned if we had a VISA bill of one-tenth or even less of those amounts. If we had a VISA bill of \$2,000 we would be concerned. And it seems to me that if we would be concerned about that level of debt in a household or a business, that we cannot be unconcerned about that level of debt in government. The government debt is nothing more than the accumulated debt of all of the people of the province. It is not anyone else's debt. There is not someone out there that is going to solve the problem for us. We have to solve the problem. And as representatives of the public in this Chamber, it's our responsibility to deal with the situation.

If we do not, it affects many things. It affects the level of services we receive. It affects the level of taxes we will pay and that future generations will pay. And it affects the degree to which we have financial freedom to do those things that we really would like to do and that we should be doing.

We cannot escape this reality. We need a plan to deal with this reality. We can't run away from it. We have to deal with the problem. I believe that the budget provides sound direction and it provides hope. It says that we will restore financial stability and gain our freedom to choose a better future for ourselves and our children.

(1600)

And I support that, Mr. Deputy Speaker, because I do not want to be part of an irresponsible government that will pass on the mess that we have inherited to the next generation. I would like to see that mess cleaned up. And I'm quite prepared to look the voters of my constituency in the eye and say that we have taken measures to clean the mess up.

And that is the plan of this government. The plan does not just look at the short term. It doesn't look at how people feel about us next week or next month or even over the next year. It looks quite far ahead and it takes us down a road that is somewhat bumpy. But the hope that we have, Mr. Deputy Speaker, is that if we stick to the plan and deal with the situation, we will have some financial freedom.

Because if the Douglas and Lloyd governments of 1960 to 1964 did not have Saskatchewan's financial house in order, which they had worked on between 1944 and 1960, Saskatchewan would not have pioneered the ambitious medicare program that was pioneered by Tommy Douglas and Woodrow Lloyd in 1962, when in the rest of Canada no such initiative was taking place.

The government would not have done so because it would not have had the financial flexibility to do so. And we in Saskatchewan and people all over the country would be much worse off if previous governments had not put the financial house of Saskatchewan in order.

That is why we need financial freedom. We need it for health care reform, we need it for social services, for better tax rates, and for economic development. We need it, and I believe that with the leadership shown by the budget, we're going to have it. I do not believe that the Government of Saskatchewan can resolve Saskatchewan's problems by itself. We can't act alone or in a vacuum. We need a partnership for economic renewal in the province. We need more jobs.

The Minister of Economic Development has released an economic development plan, the *Partnership for Renewal*, which I've read carefully. And I have to say that I think it's a very good plan. And it was arrived at in a very appropriate manner, because instead of writing the partnership for economic renewal and sending it out to the stakeholders, the businesses and the chambers of commerce, the minister involved hundreds if not thousands of people all over the province in meetings to discuss what economic development opportunities there were in Saskatchewan, and to come to some consensus on the steps that were necessary from the point of view of the government in partnership with business to improve our economy.

And sometimes we're very negative — I think too negative — in terms of what Saskatchewan has going for it. I believe that we have a lot going for us in Saskatchewan. Not to mention the good people we have and the educated workforce, we have a lot of resources. And there are a lot of things, a lot of good things happening in Saskatchewan because of the innovation and hard work of people in our communities.

In my own community of Saskatoon, we have a biotechnology industry that is developing that is going to be a very important industry to Saskatchewan. We are going to be leaders in North America in terms of agricultural and biotechnological research, and many people are going to be employed in research and development, something that is very positively addressed by the budget.

Also in Saskatoon we have an agricultural chemical storage industry starting, and that is a very important industry. It's important from the point of view of public safety, safe storage of agricultural chemicals. It's important from the point of view of environmentalists. And I believe that that industry is going to provide hundreds of jobs in Saskatoon.

And we ought to keep that in mind, that there are new industries developing in Saskatchewan, not just in Saskatoon but all over. And gradually the economy is going to rebound and improve and we're going to have good times again in Saskatchewan.

I also would refer to the energy development and conservation institute that has been started and supported in this budget. That institute, which will also provide research dollars and jobs in Saskatoon, will ensure that rather than prejudging the issue of energy needs and how we should be producing our energy and putting all our eggs in one basket, we will

have a look at all of the options that are available to us and proceed accordingly. And it seems to me, Mr. Speaker, that that's a very logical and rational way to proceed, and I commend the government for its leadership in that regard.

One of the first things the government did on election was to open the books and reveal to all Saskatchewan people the financial position our province was in as of October 1991. The Gass Commission was appointed in November of 1991 and it reported to us in February of 1992. Its report was 189 pages long and is available from the Finance department to anyone who wishes to read it.

The findings of the commission included the statements that government spending was out of control, that the level of public debt was a serious problem, and that public funds were being spent without proper documentation and without full and clearly understood business and public policy objectives.

The Gass Commission also pointed out that the province was in danger of losing the ability to borrow money if the public debt was not brought under control. Now some people are of the belief, Mr. Deputy Speaker, that we can simply ignore the debt, continue to add \$1.2 billion in additional debt each year, and that that really isn't a problem because somehow this is somebody else's problem and it will go away.

The reality is that if the government adopted that irresponsible approach, we would find that our credit would be brought to an end, we wouldn't be able to borrow any money, and the government simply would not have money throughout the year to pay people to run our hospitals and schools and universities. And that simply would not be acceptable. And there's no point, in my opinion, in pretending otherwise.

We already are paying, last year, \$760 million in interest payments on the debt. And this coming year we will pay \$847 million in interest. And I think all of us try to imagine what we could do if we had that money — if only we had that money.

If the interest charges of 847 next year will not be enough . . . I should refer to the fact also that for the last five years federal transfer payments from Ottawa to Saskatchewan have been cut by \$500 million per year. The combined effect of federal Conservative policies and provincial Conservative policies, in terms of the cut-backs from Ottawa and the interest on the provincial debt, amount to around \$1.3 billion per year.

And if it were not for those two factors, we really would be in good shape in Saskatchewan despite the fact that we have had some difficult economic times. But that's the past and we have to deal with the situation as we find it. We have to have a plan to handle the present situation, eliminate the deficit, and at the same time provide help to those most in need.

When I was campaigning in the election I would go door to door, and people would say to me that they didn't know why I would want to be involved in government and become elected because they said, it's such a mess in Regina that you'll never get it straightened out. You will never straighten it out in 20 years, so why bother?

And others said that the previous government had adopted a scorched-earth policy, that they were deliberately leaving a mess to make it difficult for successive governments to govern. But whether deliberate or not, there is a situation and we have to deal with it.

I think that many positive steps have been taken to address the situation. Last year, for example, we had cancellation of Fair Share which saved \$15 million. Travel by cabinet ministers was cut by 81 per cent for the first seven months of the last fiscal year for a savings of \$400,000 in seven months. I'm sure, Mr. Speaker, that neither the Premier nor cabinet ministers are any longer staying in hotel rooms that cost a thousand dollars a night.

Cancellation of severance packages saved us \$12 million a year including 1.2 million that had been set aside for George Hill. MLA's salaries were frozen and continue to be frozen. Cabinet ministers' salaries and MLA expenses were reduced for a savings of \$7 million per year.

And very significantly, the government obtained a \$150 million payback from Weyerhaeuser and a reduction of debt guarantees in the amount of \$45 million which was a reduction of our debt, Mr. Deputy Speaker, of almost \$200 million — a fairly significant move under difficult circumstances created by the members opposite.

We closed trade offices in Hong Kong and Minneapolis that the sceptical among us would say had been created for Tory patronage appointees, to save \$2 million a year. And we recovered \$33 million by refusing to pay for cost overruns on the Husky upgrader.

Many, many other steps have been taken to improve government efficiency and cut waste and mismanagement. A small example is the mailing of the SaskPower and SaskEnergy cheques in one envelope, a simple step which saves \$725,000 per year. Overall we've seen expenditure reductions of over 300 million last year — the only province in Canada to reduce its expenditures. And this is significant because it represents action, not just talk.

Some Hon. Members: Hear, hear!

Mr. Cline: — The Conservative Party is very good at talking. They will talk about fiscal responsibility; they will talk about cutting waste and mismanagement. The problem is they never actually deliver. They never do it. All they've done federally and provincially is to create a mess that others have to clean up.

And I believe that this budget delivers. It doesn't just talk; it delivers. The government has cut annual borrowing requirements by \$800 million a year. It has reduced expenditure. A plan has been presented to this legislature and to the public, and that plan has been presented in an honest, straightforward manner that I believe is welcomed by the people of our province. That plan will eliminate the deficit during the first term of this government.

(1615)

The protection of those in need is important as well. The budget is consistent this year with what was done last year. For example, in the last fiscal year, despite the fact that government expenditures were reduced, the government increased social assistance payments. That was also done in this budget. It increased funding for child hunger programs by 35 per cent.

There are additional funds for children and children living in poverty in this budget. It increased the child tax credit by 25 per cent, and it increased the . . . or introduced the community employment program, allowing people . . .

The Deputy Speaker: — Order, order. I'll ask all members of the House to come to order. The proceedings will allow the opportunity for all members to get into debate, and I'll ask you to save your comments until it's on the record.

Mr. Cline: — The community employment program was introduced last year, which allows people to do what they really want to do, which is to work and to upgrade their skills and help their communities. It increased the Saskatchewan income plan payments for seniors. That is also being increased this year by 5 per cent. It increased home care funding by 20 per cent last year. That enhances independent living through nursing, meals, and home maintenance. Home care is also being increased this year, which is part of the wellness objectives of the government which I strongly support.

And I guess what I'm trying to say is that the responsible fiscal management that this government is showing does not mean an end to concern for the least fortunate in society. Rather, concern continues to be shown. And even though we have to make some decisions which are regrettable, such as reductions to the drug plan and the children's dental plan, those decisions are made in the context of new plans which protect those most in need.

And it is unfortunate that as a result of the actions of the members opposite we have to take some of the measures we have to take, but nevertheless they're being taken in the most fair manner possible.

I believe, Mr. Deputy Speaker, that we must not fall into the trap of feeling defeated by the magnitude of our fiscal problem. One reason is that we have got a plan to deal with the situation, and I believe that has inspired confidence in our communities.

The other reason is that despite difficulties, not just in Saskatchewan but across the country, if not across the world really, there are many, many positive economic indicators which when you examine them, demonstrate that the people of Saskatchewan have the resources and ingenuity to emerge from present difficult times.

The investment dealers of Canada in their May 1982 economic outlook had this to say. This was in respect to the last budget but I'm sure that it would apply equally to the budget just introduced last week. They said: after a decade of set-backs, prospects for Saskatchewan are now brightening. Ongoing deficit reduction will ensure greater prosperity in the longer term.

And in fact there are many positive things going on which give all of us hope for the present and for the future. There's much impressive economic activity going on. Our population increased in 1992. I believe in the last quarter it went up 1,200 people. This is significantly different from the record of the last five years of the previous government when people were leaving by the thousands each year.

Our domestic exports from Saskatchewan increased by 15.5 per cent January to November last year, a very significant improvement in manufacturing.

The value of manufactured goods in the beverage industry was up 4.9 per cent January to November; wood was up 27.9 per cent; machines up 12 per cent; electrical products up 5.5 per cent; non-metallic mineral products up 7.8 per cent; chemical products up 4.8 per cent; and total refinery production was up 18.1 per cent. Those are impressive statistics. They are very positive.

There are many other positive things happening. Oil sales are up, coal sales are up, potash sales are up, uranium sales are up, personal bankruptcies and business bankruptcies . . . personal bankruptcies are down, business bankruptcies are up somewhat, farm bankruptcies are down, overall other bankruptcies were down 22.4 per cent. The total figure is a reduction of 8.1 per cent. Housing starts last year in Saskatchewan were up 87.3 per cent.

Some Hon. Members: Hear, hear!

Mr. Cline: — There are many factors that enter into this. I believe it's fair to say that some changes at the federal level contribute to this, such as the RRSP (registered retirement savings plan), the ability to use the RRSP in the 5 per cent down payment. But the fact is that those factors are true across the country but Saskatchewan has led the way in terms of housing starts. We are at 87.3 per cent compared to Alberta at 65.2 or Manitoba at 16.2.

So my point is, Mr. Speaker, that there are good things happening. I mean I could talk about the Plant Genetic Systems Incorporated of Belgium which has moved its head office for North America to Saskatoon; the IPSCO expansion; I mentioned the Saskatchewan

energy and conservation development institute. Develcon Electronics, the employees have completed a buy-out and they are optimistic that they will adapt to changing markets and survive and thrive in the present economy.

The farm chemical industry which is being constructed in Saskatoon, Total Minatco Ltd. moved its head office from Calgary to Saskatoon; the Saskatoon Aero Centre opened. I have a list of projects that are going on in Saskatchewan: the SPAR Group, 60 to 80 new jobs in Swift Current; Hitachi in Saskatoon, \$9 million investment; Norquay Alfalfa Processors, 45 new jobs; Babcock and Wilcox in Melville, 3.5 million investment; Sears Canada, 900 jobs coming to Regina; AECL (Atomic Energy of Canada Ltd.) coming to Saskatoon, 140 jobs; Hudson Bay Mining and Smelting, rebuilding their smelter at Craven, 375 jobs; Goldenhill Cattle at Viscount, 24 jobs; and a new contract between TCCCS/IRIS (Tactical Command and Control Communication System) which is a national defence project, 50 new jobs; and the list goes on and on. And I won't recite it all, Mr. Deputy Speaker, but the point is that there are many, many positive things happening in Saskatchewan under the leadership of this government.

I want to say that despite the fact that the budget is tough and we all have to pay a bit more we are still, in terms of taxes and overall charges of the government, Saskatchewan is still the third-best place to live in terms of taxes and personal charges the government imposes on the people. It seems to me that when you consider the fact that we have wide-open spaces, clean air, clean water, and friendly people, very low-cost housing, Saskatchewan is one of the finest places to live and will continue to be so.

In the short run it's a difficult situation, but in the long run I believe it will not be so. We will ensure that every tax dollar is used as wisely as possible and we will be doing more with less. And that gives the people of the province considerable optimism and considerable hope.

That hope and optimism is being reflected in the media. I have an editorial from the Moosomin *World Spectator* of January 20, where they are commenting on the Conservative criticism of our Finance minister. And I think this really says it all. It says: it was a little amusing to read of the Tories' criticism of new Finance Minister Janice MacKinnon, who replaced Ed Tchorzewski in a recent cabinet shuffle. MacKinnon, the Conservative Finance critic said, was not experienced enough to handle the tough Finance portfolio.

And I might add parenthetically, look who's talking, Mr. Speaker. Then the Moosomin *World Spectator* goes on to say: here we have criticism from a government that so badly managed the financial affairs of this province that they've almost been guaranteed a Guinness Book of Records entry. And they're knocking the incoming minister because she may be too inexperienced. Even if the Tories are

correct and MacKinnon is horrible at her job (something I'm sure won't happen and isn't happening) she can certainly be no worse than the various Finance ministers in the Devine government.

And I want the members opposite to listen very carefully to the last two sentences, Mr. Deputy Speaker. They are: the woman deserves a chance. The Tory critics deserve a spanking.

Some Hon. Members: Hear, hear!

Mr. Cline: — The *Star-Phoenix* of January 2, 1993 had this to say in an editorial about the new year, entitled: "New year cast in bright light." They said:

Finally, all this (that is, economic development in the province) is taking place against a backdrop of relatively stable and moderate government leadership at both the municipal and provincial level. Compared to the turmoil that provinces such as Ontario are experiencing, the realistic approach to government and the economy taken by Premier Roy Romanow becomes a positive and reassuring factor.

And I believe that, Mr. Deputy Speaker. I believe that people are reassured by the approach taken by our government because the people know that the government has a plan. And the people have been asking for a plan.

Murray Mandryk wrote in the *Leader-Post* on March 19 about the Finance minister. He said:

Not only was she unflappable Thursday, but her calm, pleasant demeanour was the dominating force in the weeks preceding the announcement.

She has been incredibly focused. As a result, an incredibly focused message has come out.

It is a sense of control that we haven't seen in the Saskatchewan government in a long time.

And the point is that despite what people may think of particular measures in the budget, despite what people may think of particular government policies, they know that the Government of Saskatchewan is honest with the people, is straightforward about the situation we're in, and has a plan to deal with the situation we're in.

Some Hon. Members: Hear, hear!

Mr. Cline: — And I could go on, Mr. Deputy Speaker, to . . . I don't want to disappoint my colleagues here, but I'll skip over some of the editorial comment.

However, I would refer to *The Melfort Journal* which writes: it is only through resolve that this government or any government will be successful in bringing provincial government spending, and thus the deficit, under control. This government claims to have the

resolve that is necessary to do just that. That's the good news they brought to Melfort Friday.

And *The Globe and Mail* also have commended the government for its very realistic assessment of our situation and plan to deal with it.

I just want to say a word about jobs, Mr. Deputy Speaker. The budget is difficult, but one thing I'm quite encouraged by is that more money is being put into construction of capital projects; considerably more money this year than last.

(1630)

In the education field, the K to 12 schools, the budget is being increased from 7.5 million to 20 million. Post-secondary capital funding is increasing from 3 million to 6.1 million. An additional 11 million is going to be spent on highways construction, and an additional 26.7 million, or a total of that amount at least, for health facilities. And I think that that's a very positive note, that we're going to be putting some people who very badly need employment to work. I sincerely hope that that has the effect of generating more jobs in our economy.

So in conclusion, Mr. Deputy Speaker, I want to say that the road that we have taken is not the easiest road. The easiest road is to run away from your problems and ignore them. But as we look ahead down that road, we can all look forward to the day when we can say to those who come after us that we built a foundation and laid a path to financial stability and freedom for the people of this province, that we rebuilt the fiscal foundations of Saskatchewan and put the province back on the road to prosperity.

And I look forward to that day and I look forward to the next few years and the remainder of this government's first term with a great deal of confidence. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Deputy Speaker. I think that's your correct official title, and I hope that your sojourn as presiding officer here will be as uneventful as possible during the course of my remarks which I am going to attempt to have . . . make fairly succinct this afternoon because to a large degree I have already voiced many of my concerns, particularly with the portfolio that I am the shadow critic of which is in Health. And during the adjourned debates of . . . or second readings of The Health Districts Bill, I spent a considerable amount of time outlining to the citizens of the province some of the concerns that we had in the direction that this government was going.

And it did not take too much of a genius to figure out the impact that this budget would have upon the Department of Health even before the budget was brought down by the minister from Saskatoon. And unfortunately many of the predictions — most of the predictions — have come to fruition for the

unfortunate people of Saskatchewan.

We find for example, Mr. Speaker, that while there were dire warnings of what was going to happen to Whitespruce, I believe they have come to fruition. We're hearing now what is going to be happening to SADAC (Saskatchewan Alcohol and Drug Abuse Commission) — causes us a lot of concern. We had a lot of concern at the time about the dismantling, the total dismantling of the drug program. That has come to fruition as well, Mr. Deputy Speaker.

And so as the health district boards are being set up and the inevitable 3 per cent cut in the slashing of the Health budget as it is going to take effect, again I remind the people of Saskatchewan and predict some of the consequences that we're going to have in the deliverance of our health . . . quality health that we're so used to in this province.

And we will find, Mr. — if you don't mind I'll shorten that to Mr. Speaker — the people of this province are going to feel the brunt of that as the programs are being implemented by the Minister of Health. We know, for example, that the total budget for Health has been cut, has been slashed down to 1.49 billions of dollars. That's a cut of \$45 million in the Health budget alone.

Now I don't think that this side has any particular problems with the cutting of the health budget, the rationalization of the health. But again, as many of my colleagues over the course of the last few days have indicated, it is the choices that this government is making that causes us pain and that causes us concern.

And as we have witnessed today again in the gallery, the way in which many of these choices are being implemented are a great deal of concern to the people of Saskatchewan. Because the motivating factor, Mr. Speaker, the motivating factor for all of this is the almighty deficit. Everything is being done in the name of the deficit, and the choices that are being made are very often the wrong choices. But perhaps even more importantly, the mannerisms in which those choices are being implemented are also unnecessarily devastating.

And I want to spend some time on that this afternoon. We know that what is going to happen is in the name of the deficit we are going to have two things occurring as a result of this budget, as a result of the cutting of funding, particularly in health. We're going to see offloading, two forms of offloading, Mr. Speaker.

The offloading of responsibility where the Minister of Health can stand up in this House and in a painful expression say: well, boy, those are not very good choices but I didn't make those choices; it was the boards out there that were making those choices. It was the Wascana Health Board, it was the Regina Health Board that made the choice to do it. It wasn't I. So there is an offloading of responsibility, a buffer between irate citizens of this province and the

Minister of Health, the Minister of Finance, and indeed the Premier of this province. And that is unfortunate, Mr. Speaker.

The second concern that we have as far as the offloading process is concerned, is the offloading of financing or downloading of the financing in the support of health care services. We know for a fact that they're going to be cut.

And so we will find now that the property tax base in the province is going to feel the full brunt of this offloading, where the property owner will be forced now to supplement, to supplement the delivery of the health care services. Either that, or the other option, Mr. Speaker, will be to forgo those services, to have an inferior quality of services in the health field.

These are not only my concerns. I believe what I am doing and members on this side of the House are doing is expressing the concerns as they are being presented to us by the people that we meet and the people that we talk to in this province. It's certainly the case in my constituency, Mr. Speaker.

So I want to take the opportunity over the next few moments to show the government that there are errors in their pattern. There are errors in the presentation of this budget. And those errors, Mr. Speaker, are numerous and they are profound. But I will try to focus on but a few of the most grievous of these injuries that are being perpetrated on the people of Saskatchewan.

I'd like to place, Mr. Speaker, into the historical record the advice and options set out by people who are not involved in politics. I think the people of this province are very sceptical. And if they receive advice or if they receive options from politicians they probably say, well in that case, if that's what you say, I'm heading in the other direction, and chances are 60:40 that I'll be right in doing the opposite.

But, Mr. Speaker, what I want to do is to draw attention to people who do not have partisan aspirations, who have no particular bone to pick with any particular group of people or any particular concern in this province.

And it's important, Mr. Speaker, because the record is now thick with the assertion of NDP member after NDP member standing in this House and invoking the new chant that is being developed by the member for Riversdale, the mantra of: we have no choice, we have no choice.

Mr. Speaker, I would suggest to you that the crescendo of the incantations are rising in direct proportion to the amount of heat that members of the government are feeling as they go back into their own constituencies and the people of their constituencies are telling these folks exactly what they think about the plan.

So all over the province, Mr. Speaker, including some very significant professional people, are stating very seriously that this government does have some choices — choices other than the ones that they have

chosen. So it boils down to the fact, Mr. Speaker, that it's just a plain matter of the NDP government making bad choices.

And let me start, Mr. Speaker, with some advice from a fairly well-known columnist, financial columnist from the *Star-Phoenix*, and he has advised the government to go to harmonization. And he's been doing this since well before the last election.

And he also urges some significant privatization initiatives. But he wrote one column, Mr. Speaker, that I want to refer to that highlights the potential for \$360 million in revenues with one simple policy. The headline is instructive, and it comes from the March 20 *Star-Phoenix*, and I quote: "No mention in the budget of gov't money in stock market" is what the headline reads.

What Mr. Martin the columnist did, Mr. Speaker, was to take a close look at the budget and what he found was that the government holds \$360 million worth of stock in the multinational uranium mining corporation of Cameco. The government is holding \$360 million of stock. And I quote from this particular individual, Mr. Speaker, where he says:

It's tantamount to the finance minister rising in the assembly and announcing she would take \$360 million of our money and invest it in a single stock play. Obviously we would have howled in outrage had she made such a statement. Strangely we don't complain that she has done what amounts to the same thing.

So the first piece of advice for the government from the people totally outside of politics, I would suggest to you, Mr. Speaker, is simple: Get out of the stock market, Mr. NDP Leader, and use that \$360 million to help balance the budget. It is there, Mr. NDP Leader.

The second piece of advice that I would bring forward is one shared by Mr. Martin and that is tax harmonization. Tax harmonization — where have we heard that before? And that is also, Mr. Speaker, at the same time, being recommended by the commerce students at the University of Saskatchewan, who were thoroughly laughed at by members opposite when this was brought up a few days ago.

Mr. Speaker, harmonization is also recommended by the Canadian Federation of Independent Business. Harmonization is recommended by the chambers of commerce, the consumers' association, and most responsible farm organizations, Mr. Speaker.

So there is a very solid piece of advice on the choices available to this government, Mr. Speaker. And again, it is advice from people who are not particularly interested about political parties and political agendas. They just want the government to get on with the business of building this province and sincerely trying to balance the budget.

Well, Mr. Speaker, to continue on in that vein for a little bit, what about academics, Mr. Speaker? I know

the government has a few allies left over from the days when Berkeley shipped up their leftovers in the '70s. But what I'm talking about is credible academics, those people who work not in political science or sociology but rather spend their time and their expertise and knowledge in economics.

Now what advice, Mr. Speaker, do they have for this government? Well I'd like to put the advice of Professor Yul Kwon on the record, Mr. Speaker. And I would like the record to also reflect that Professor Kwon has been directly critical of my own party and of this party when we were in government a short few 18 months ago. This professor also served on Consensus Saskatchewan, and even then he urged the former government — us folks — to ignore the demands for more money on health and to make the cuts that were necessary.

And we had a disagreement with Professor Kwon about the savings available by taking that course without making the concomitant other side of the ratio of undue suffering at the same time. But I note that because it is clear evidence that this professor is not some closet Tory who is simply interested in condemning the NDP; far from it, I would suggest.

But Mr. Kwon, Professor Kwon has some advice for the Premier. And in March 19 in the *Leader-Post* he strongly makes the case with factual studies and hard information that balancing the budget must be done with spending cuts and cannot succeed by focusing on revenue raising because we know how the government can raise revenue, Mr. Speaker. It's a very limited process as to how to raise revenue.

(1645)

So as I said, Professor Kwon believed the former government was too much on the revenue side as well. And the proof of the pudding is in the eating I guess, Mr. Speaker, because he writes, and I quote: "On the tax side, it should be noted that high taxes slow down economic growth." High taxes slow down economic growth. And he continues and I quote further: "... the extent of economic slowdown by taxes is alarming."

And then he provides information from studies that show the fall-back in economic growth from raising taxes that have held up the growth rate by as many as 12 points, Mr. Speaker, and that is dramatic — the effect that raising of taxes can have on the economic growth, the very engine of economic activity that we depend on to get us out of this kind of a slump.

So he points out, Mr. Speaker, that Saskatchewan has the highest burden of taxes of any jurisdiction in Canada. And then he compares that to our growth possibilities. And as I mentioned, Mr. Speaker, he writes that the extent of economic slowdown through taxation is alarming.

Professor Kwon goes on, and he states that if the government insists on acting on the revenue side, then at the very least it should follow the lead of the

previous government and go the route of harmonization. Mr. Speaker, he writes finally that the government should bring forward legislation that puts into law a cap on government spending.

So there are three bits of professional advice from a professor of economics on choices that this government had before it, Mr. Speaker. Choices advanced by certainly a non-political individual who was very knowledgeable about economics — these were the choices that he said were available to this government.

And another professor of economics that members opposite like to laugh at is Professor Isabel Anderson who also has some advice, Mr. Speaker, on this government and its choices. Professor Anderson in various fora has said the government is wrong to be obsessed about the absolute size of the debt. The government is wrong to be obsessed with the absolute size of the debt.

She says the government should be a little wiser and understand that as important the actual size of the debt is to credit rating agencies, more important is the ability to pay which is measured by economic development. There we come again, Mr. Speaker, to that all important issue.

So Professor Anderson says, the government if it wishes to recover its credit rating, then it must provide a foundation for economic development.

And I think all members from the opposition side of this House have been stressing that, time after time after time. I know certainly, I cannot repeat often enough to the folks opposite, that too many of the things that they are doing in the name of the deficit, the things that they are doing to cut down the interest rates, are counter-productive. You try to save money, in the end it costs you more. Whether it be loss of economic activity through taxation or whether it is in the medical field of taking away a low-cost, low-technology service to the people, and instead substituting a higher cost.

That is what is wrong and that is what we object to, and that is why we continually remind people that it's a tough budget, but it's a tough budget by choice of members opposite. They are making these choices.

Now when the Premier gets up and says, give me a break, I have no choice, what we're trying to do here now is show the public that indeed, Mr. Speaker, there are choices. There are choices that this government could take that are not going to be as strenuous, that are not going to be as devastating as they need be. And we cannot allow in times like this to have political ideology be the governing factor in determining what we do and what we do not do.

Mr. Speaker, Isabel Anderson continues, and I'd like to bring forth another quote:

The most extensive prospects (she says) for the growth of this economy lies with the

development of non-fossil fuel energy sources, from the manufacturing design through to the disposal of waste management of the primary fuel source, with world leadership in the technology of environmental protection and the technology of safe, responsible waste disposal facilities.

Now I'm going to suggest to you, Mr. Speaker, and to those people who are listening and take some liberties and to suggest that all of that economic talk — academic talk, pardon me — that I was just reading about boils down to Professor Anderson advising the government to pursue a full nuclear industry from building reactors to dealing with fuel recycling and waste management. That is what they're saying . . . that's what she is saying, Mr. Speaker.

And I think we cannot have our hands in the sand — and I've said this before in this session — we cannot have our hands in the sand. We must explore all opportunities. We must look into the future and perhaps, as she is indicating here, explore all of these possibilities.

So for a Premier, Mr. Speaker, to say that he's bankrupt of choices, well there's another choice offered you by Isabel Anderson — build the economy and go for nuclear leadership. The point is, Mr. Speaker, there are plenty of people out there with all kinds of choices for this government to make.

So if the Premier is not capable of coming up with some choices himself and he does not want to bring in a deficit of \$265 million using the former government's budget plan, then he can use the advice and the choices that are being provided by private citizens in this province. That is an option that he has. It's free advice, it's good advice, it's expert advice.

The choices that this government is making on the backs of the people, burdening them down, are not the choices that these people want or deserve. So this budget, Mr. Speaker, this budget makes choices. Of course it makes choices, but it just happens to make nasty choices and cruel choices.

We witnessed that today, Mr. Speaker. We witnessed that today in how the cut-backs were brought about in the liquor board store. We saw the employees here, how they were handled. And you call that compassion — the callousness with which they were dismissed in a four-minute firing squad.

I was in Rosthern over the weekend. Two years ago Neal Hardy and I, Mr. Speaker, opened up the rural service centre in Rosthern. And during that time we created jobs in Rosthern at a much valued and needed service. The people of Rosthern have told me that. What happened on Thursday? At 3 o'clock on Thursday, two folks from the department came in and said, this office is closed, and put a sign on the outside of the door saying: effective immediately this office is closed. No forewarning, no idea what was happening. The secretary wanted to quickly at least take out the day's mail. No you don't. No you don't; this office is

closed. That's compassion; that's understanding.

But again I pose the question: is that saving money? Is that saving money or is that another example of doing exactly what you shouldn't be doing? Is that another example of being totally counter-productive? And I suggest to you that that's exactly what it is.

Mr. Speaker, this budget does put forward what is considered or could be considered a plan. But the plan for the . . . as a balanced budget, the plan that outlines how to come about in a balanced budget, Mr. Speaker, I suggest to you and the members opposite and the people of this province, is a phoney plan. It's simply a phoney plan. It concedes that the debt will be pushed to 16 billion by 1996, Mr. Speaker. But I suggest to you it's going to be at 16 billion before the end of 1995.

And you know why, Mr. Speaker, why it's a phoney plan? Because this budget sits on a soft base of phoney predictions — phoney predictions in the marketable commodities that this province has. It's unfounded in its unrealistic assumptions of the prices for our commodities.

And this is what the assumption of this budget is, that there are going to be certain kinds of prices paid for commodities. It predicts growth in government revenues as a result, and are totally unrealistic. And it fails to understand the relationship between the destruction to the economy and higher taxes.

And I listened with amusement as the member from Humboldt was engaging in his ill-informed contribution — to put it kindly — to this debate, Mr. Speaker. And that member stood up and firstly got into the personal attacks. And I'm going to refrain from succumbing to the temptation to do the same. But regardless of all of that, Mr. Speaker, after the crude innuendo and inflammatory rhetoric emanating from that member, he made his case for the budget. And he said that the budget rests on the expectation of the increased retail sales.

Well, Mr. Speaker, no disrespect to the member from Humboldt, but it would be useful for him to obtain some assistance, Mr. Speaker, I would suggest, in understanding the relationship between increasing sales taxes and retail sales. Because believe it or not, members opposite, there is a very distinct relationship between those two factors.

And I'll tell him now — but he can check with any businessperson or any economics professor is going to give him the same kind of information — increasing sales tax decreases retail sales, Mr. Speaker. There's no doubt about it. You take money out of people's pockets, they don't have as much to spend. So already we can see one of the assumptions of this budget beginning to crumble.

All members of the government seem to have bought into the idea that simply talking about the balancing of the budget is all that it takes. But the fact is, Mr. Speaker, increasing taxes, increasing the burden on

the people in businesses, these things will make balancing the budget nearly impossible.

The government should understand that you cannot solve a spending problem on the revenue side. That's fundamental in economics. You cannot solve a spending problem on the revenue side. You cannot simply go to the people and say, well if we take more out of your family, we can balance it out. History has proven, Mr. Speaker, that type of strategy simply will not work. Instead you must make carefully targeted but deep cuts in your spending, Mr. Speaker.

Incidentally, the government in Newfoundland chose to cut, not to tax, in its budget. They cut government salaries. The Government of Manitoba is choosing cuts, Mr. Speaker, not taxes. That government is actually shutting down non-essential services on Fridays to save money. Governments across the country are eliminating grants, Mr. Speaker, to interest groups rather than raising taxes.

But, Mr. Speaker, what it seems to be doing here is this government is doing nothing of these things, so when they stand up and when they start talking about the hard choices, when they start talking about the courage that it takes, well then I ask them, where is it? Where is this courage that it takes to make, Mr. Speaker, these wrong choices?

And that is fundamentally what we oppose and that's fundamentally what the people and the citizens, particularly the taxpayers of this province, oppose is the hard choices that the Premier says that he has to make, these hard choices. I have no choice; give me a break.

Mr. Speaker, I tell you the citizens of this province are saying and they are begging this government, give us a break. Give us a break. Not our legs, because if our legs are broken we're not sure about what type of medical services will be available. But give us a break.

So, Mr. Speaker, what I'm seeing in this government so far is that it takes courage — they talk about courage and they say it takes courage — I say to you, it takes courage to tax because that's your fundamental approach in solving the deficit of this budget here, is to tax the people, to make up the shortfall by combating the deficit by increasing your revenue. And the only way a government can, Mr. Speaker, increase its revenue is through taxation — taxation.

And at the same time, they're proud to say that we're going to increase jobs; jobs are a priority with our government.

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.