

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Hon. Mr. Mitchell:** — Thank you, Mr. Speaker. In your gallery, Mr. Speaker, are a group of public servants. We have a number of such tours every year, and it is my pleasure today to introduce to you and through you to other members of the House, the tour that is taking place today. These public servants are from the departments of Municipal Government, Finance, Social Services, the Public Service Commission, SPMC (Saskatchewan Property Management Corporation), and the Department of Justice.

Mr. Speaker, would members of the House please welcome these public servants to the legislature today.

**Hon. Members:** Hear, hear!

**Mr. Goohsen:** — Thank you, Mr. Speaker. I'm happy today to introduce to you and through you, Mr. Speaker, to the members of the Assembly, a resident of the city of Regina, Mr. George Sharpe, who is seated in your gallery. Mr. Sharpe is here today to observe the workings of the House and to see how democracy is served.

So I would ask the members of the House to please help me to welcome Mr. Sharpe today.

**Hon. Members:** Hear, hear!

## ORAL QUESTIONS

### Effects of Federal Budget

**Mr. Martens:** — Thank you, Mr. Speaker. My question is to the Minister of Finance. Madam Minister, yesterday's federal budget contained a number of measures that will increase the amount of federal income tax paid by Saskatchewan people.

As you know, since the amount of provincial income tax a person pays is based on a percentage of the federal tax, this increase will also mean an increase in the amount of provincial income tax paid by Saskatchewan residents.

Madam Minister, can you tell the people of Saskatchewan how much more provincial income tax they can expect to pay this year as a result of yesterday's federal budget? In particular, how much extra will be collected as a result of the changes in the business expense and how much will be collected as a result of the cancellation of the capital gains tax exemption?

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — Mr. Speaker, I do not have the exact numbers except I can make this comment. First of all, we do applaud the Liberal government for plugging some of the tax loopholes, but we also would point out that this government here made a commitment to not increase taxes and we lived up to that commitment. No increase in income, sales, gas tax.

You'll notice that the Liberals, the PM (Prime Minister) vows, no new taxes in this story. In fact, what will happen in Saskatchewan is 27,000 senior citizens will pay more taxes. A senior citizen earning \$35,000 a year will pay more than \$200 more in taxes. So I will get you the numbers that you asked for. But my point is this. This government said, no new taxes — we delivered our promise. No new taxes.

When Liberals say no new taxes, they mean sort of, maybe, no new taxes.

**Some Hon. Members:** Hear, hear!

**Mr. Martens:** — Mr. Speaker, Madam Minister, you pledged to Saskatchewan you would have no new taxes and no new tax increases in 1994 and now we see that you will have a tax increase of millions of taxpayers' dollars this year, courtesy of the federal tax charges. And those changes will implement a tax paid to the Saskatchewan government on behalf of a tax roll that was initiated by the federal government. Since this money was not budgeted for and is not necessary to meet your budget targets, what will you be doing to offset this increase and live up to your promise of no new taxes?

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — Mr. Speaker, it would be a funny day in Regina if we actually were to make money on a federal budget. I'd like to make a couple of points.

Beyond the tax on senior citizens, most of the tax increases are plugging loopholes. For example, let's look for a moment at the capital gains exemption. The main users of the capital gains exemption, in Saskatchewan, are farmers and small business. To this point they're exempted, although I would caution both farmers and small business — the Liberals are committed to reviewing this exemption.

**An Hon. Member:** — Reviewing everything.

**Hon. Ms. MacKinnon:** — Yes, that's right. They're reviewing almost everything. So whatever gains there are will be very marginal. There will also be an offset; 85 per cent of the people on unemployment insurance will have their benefits cut.

What we know is that when Liberal and Tory governments — and they both do the same here — cut unemployment insurance benefits, more people end up on welfare, so our welfare costs unfortunately will be going up.

**Some Hon. Members:** Hear, hear!

**Mr. Martens:** — Madam Minister, in your *Delivering the Promise* book, you said in here that you would have \$26 million as a part of a tax credit on tax credits for aged people . . . \$30 million, excuse me. The capital gains exemption was \$26 million. Are you in fact going to allow the people to get a benefit of that back to them? That is a total of 30 . . . or 30 plus 26 is \$56 million, Madam Minister. Are you going to give that back to the people of the province of Saskatchewan? That's the question I'm asking you.

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — Mr. Speaker, the members opposite should not get into numbers. It's never been their strong suit.

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — What I have said to the member opposite is that any benefit to the treasury of Saskatchewan will be minimal. We don't have an exact number, and the moment I have an exact number, I'll give it to the member opposite.

But what I have said as well is, sadly, there's going to be an offset here. We know of one change — the reduction in benefits to people on unemployment insurance; 85 per cent of them are going to be getting less. So that will mean that we will have an offsetting expense. Sadly, there are going to be more people on welfare in this province, and it's because of the Liberal government's changes.

**Some Hon. Members:** Hear, hear!

**Mr. Martens:** — Mr. Speaker, and Madam Minister, one area of particular concern is the reduction of seniors' tax credit, Madam Minister, and you touched on that. But the seniors with \$26,000 as an income are going to have an increase in their taxes. Anybody over that is going to have an increase. A 30,000 will have \$107 more in federal tax and \$57 more in provincial tax. A senior with a \$40,000 income will have 370 federal tax, 197 provincial tax. A senior with 49,000 will have 610 more federal tax and \$326 more in provincial tax, Madam Minister. Given your pledge of no tax increases, what are you going to do to offset this major provincial tax increase for seniors?

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — Mr. Speaker, I agree with the member opposite. For a government that promised no new taxes, there are new taxes in this budget. And they are taxes particularly on seniors although other people in Saskatchewan will also be paying more taxes.

Unfortunately we can't control what the Liberal government does. If we could we wouldn't have come out with a budget like this. Again only the members of the previous administration would say that, maybe if

you're getting a million dollars more it's a windfall and you should find out how to spend it. Only that kind of thinking could have got us into this kind of mess.

What we're saying is there is no windfall here. It doesn't exist. There are going to be other costs imposed upon the province by the same budget. But let me say this: if we ever did have a windfall we wouldn't go out and spend it, we'd use it to reduce the deficit to get this problem behind us.

**Some Hon. Members:** Hear, hear!

**Mr. Martens:** — Mr. Speaker, and Madam Minister, yesterday I believe I heard the Premier criticize this massive tax hike on seniors. Now that seems to be a little bit hypocritical coming from a government that has undertaken the single most brutal attack on seniors in the history of Saskatchewan.

The government has cancelled seniors' heritage fund, gutted the pension plan, closed hospitals, long-term bed funding, increased costs in insulin, oxygen, chiropractic, optometric care. The government hiked utility bills, taxes, and has made it extremely difficult for thousands of seniors on fixed incomes to live from month to month.

And it seems to be even more hypocritical now that you stand here, and you will say to us, that your \$30 million in seniors' tax credits are going to be taken away from them. If you are so confident of your budget targets, and if you are really committed to no tax increases, why is it necessary for the province to exploit the federal government's massive tax increases?

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** — Mr. Speaker, I'd like to make clear to the member opposite what I'm saying about the increased taxes on senior citizens. It's an issue of credibility. It's an issue of who does practise the new politics? Who actually says to the people of Saskatchewan this is the way it is? You may not like everything you're hearing but this is the way it is. We tell you the way it is. We tell you what our plan is to fix it — because we do have a plan — and then we make a promise to you which we live up to.

The other issue is what happens with the Liberals? They say no new taxes but they don't deliver on that promise. We believe on delivering on our promises.

**Some Hon. Members:** Hear, hear!

### Co-generation Projects

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, on the same day that we heard the Premier of the province roundly criticize the federal government for maintaining the Moose Jaw air base under a cloud of suspicion, the minister responsible for SaskPower announces that a possible co-generation plant for Moose Jaw is gone. Nine other communities in the

province, Mr. Speaker — a lot of them in rural Saskatchewan — had their hopes dashed and they're still wondering out there what happened to them.

The government opposite, Mr. Speaker, touted co-generation as a wonderful economic development project — especially for rural Saskatchewan. I would quote from the throne speech of '92:

My government will also use Crown corporations to help stimulate economic development. SaskPower is currently evaluating . . . proposals from private industry (to develop) co-generation power projects.

These are an important economic development.

My question to the Minister of Economic Development: Mr. Minister, now that another job creation project is down the tubes, I'm wondering what wonderful things you have in store for wealth creation in this province?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lingenfelter:** — Mr. Speaker, to the member opposite I want to say that jobs — as indicated in the budget by the Minister of Finance — are a top priority for this government. And I'd like to say very clearly that we were disappointed in fact in the numbers that were portrayed in the federal budget that indicate that unemployment in Canada will stay very high, by their own admission. They're looking at an 11 per cent unemployment rate in Canada for the next year or two. And for a federal government that made jobs the fundamental issue during the federal campaign, I think many unemployed Canadians are concerned about the lack of a job creation program in the federal budget.

But, Mr. Speaker, I want to say to the Leader of the Conservative Party, that to have him criticize us for not building Rafferty dams, for example, not doing things like GigaText or Supercart or all those wonderful megaprojects that they took on as government, that they would stand today and ask us to do more of them, simply flies in the face of the reality, that in spending billions of dollars on these kind of projects, the unemployment rate in Saskatchewan under their administration went up. And I want to say to them that the megaprojects that they did are part of the problem, not a solution.

**Some Hon. Members:** Hear, hear!

**Mr. Swenson:** — Thank you, Mr. Speaker. A question to the same minister. Mr. Minister, yesterday the minister from North Battleford killed a bunch of jobs in this province, jobs that you promised over two years ago. The project proponents were taking all of the risks, Mr. Minister. They were putting up the capital, not SaskPower. So you can't say that these projects were a great risk to the taxpayer. Your commitment to the people of this province and the media to co-generation, I think, was one that people believed.

Mr. Minister, you knew long before you started this process that the limiting of co-gen to 25 megawatts was going to make cheap electricity a difficult one to do. You knew that all along. You brushed that off by saying that SaskPower has learned a lot from this experience. Well, Mr. Minister, I can tell you that Saskatchewan businesses and communities have learned a lot from the process as well.

Will you table the project proposals and will you table a report from the engineering firm that your government hired? And will you tell us today about the 25-megawatt co-generation projects. Will you tell us today what you didn't know two years ago when you sucked all of these people in?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Anguish:** — Well I'd be happy to address the numerous questions that the hon. member has placed to us here this afternoon. I'd have to assume that you're getting from somebody in the industry that 25 megawatts are not viable. I don't necessarily accept that, although there are some economies of scale. These companies, the 10 proposals that were put forward into SaskPower, I would have to assume that if 25 megawatts was not viable, they'd not have put in their proposal.

So I don't know why you're being critical of those companies. In term of what you're saying, you're saying they don't know what they're doing. We learned a great deal about this.

The other thing that I have concerns about is the hon. member is doom and gloom over non-utility generation. We've stated very clearly in the statement yesterday that there is a bright spot for non-utility generation in the future of Saskatchewan. By repeating my statement:

In the final analysis, the provincial government cannot justify spending the additional dollars, during these times of fiscal restraint, to enter into a contract to purchase electricity that is not needed in our system. We simply cannot ask the electrical consumer to carry this additional burden.

In terms of the experts who validated the evaluation process, that it was fair and that it was reliable and it was above-board and it was fair to all the proponents, I'd be happy to do that. This is the methodology verification by Hagler Bailly Inc., which is an internationally renowned company.

So that we're not just looking at SaskPower doing the evaluation. The evaluation was done expertly, confidentially, and stands all tests that you can put before it.

**The Speaker:** — Order, next question.

**Mr. Swenson:** — Mr. Minister, there is a great number of people in communities across this province today

who felt like they were led down the garden path. Mr. Minister, you're saying that all of the reasons are there. What I asked you was: is there anything there that you didn't already know two years ago when you made this grandiose announcement?

Mr. Minister, you even charged \$10,000 — \$10,000 per proponent — a non-refundable \$10,000 to do this evaluation. Well, Mr. Minister, now that you've shot the whole process down, are you going to refund that money to the proponents? Or are you simply going to throw it into your Crown corporation as another tax on the people of this province?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Anguish:** — The member does not listen very well, Mr. Speaker. It's not being shot down. The timing is not correct for this to fit into the system in Saskatchewan at this time and we have paid due diligence to it. It's not our intention to make a refund to the proponents. As far as I know, no one has contacted my office, out of the eight proponents who put in the ten projects, asking for a refund. No one has asked for that.

You stated yourself in your statement here in leading up to your question, it was a non-refundable deposit. And that's exactly what it was.

The bottom line is that the system can use components of non-utility generation in the future when the demand is there. And we expect that demand to grow because the private sector does have confidence in the province of Saskatchewan. Therefore, that will help grow our economy more than any other factor.

I want to say to the . . .

**The Speaker:** — Order. Next question.

**Some Hon. Members:** Hear, hear!

#### Agreement with the Rural Health Coalition

**Mr. McPherson:** — Thank you, Mr. Speaker. My question today is for the Health minister. After completely destroying the goodwill in rural Saskatchewan, the Rural Health Coalition took you to the bargaining table under the threat of a lawsuit. It was because of the district health boards — the people directly affected were given no real power. Madam Minister, will you admit there was a lack of real consultation and a lack of empowerment of local health boards that forced you, forced you to deal with a possible lawsuit?

**Hon. Ms. Simard:** — Mr. Speaker, I find the question rather absurd when the member opposite knows that we have been through a very extensive consultation process with members of the Rural Health Coalition and with the public in general in Saskatchewan.

We have had ongoing discussions and a lot of give and take with respect to information. It is a process that has been very cooperative. It has been very

successful and it is an indication of the goodwill that exists in Saskatchewan to resolve many of the problems that are perceived to be out there, unlike the member opposite who has more concern about creating problems rather than solving them.

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Mr. Speaker, Madam Minister, had you not had a charade with your consultative process you wouldn't be in the problem you're in today, and we both know that.

Mr. Speaker, Madam Minister, the points of the agreement include, among other things, replacing services that rural Saskatchewan needs for its very existence. Many of the services are exactly what these facilities were providing before the minister and her department decided to unilaterally eliminate them. Services like 24-hour nursing, emergency service, lab services, and care for the elderly. Services that you, Madam Minister, take for granted.

Can you tell us today what the total cost will be to implement all the aspects of this agreement?

**The Speaker:** — Order. Before the minister answers the question, will the other members please settle down and give each member an opportunity to ask the question so we can all hear it. Members may not like it, but I think every member has an opportunity and the right to ask questions in this House, and then give them the respect.

**An Hon. Member:** — It's question period. That's all this is.

**The Speaker:** — Order. I will simply not take that from any member in this House.

**An Hon. Member:** — This is question period.

**The Speaker:** — I'll call the Premier one more time.

**An Hon. Member:** — Yes.

**The Speaker:** — This is question period and every member has a right to ask a question in this House.

**Hon. Ms. Simard:** — Thank you very much, Mr. Speaker. The member opposite, as is the wont of the members of the Liberal Party in this House, is here once again with incorrect information, false information, fearmongering.

The member opposite knows full well that lab services were never taken away, that emergency services were never taken away nor intended to be taken away, that services for elderly were never taken away nor intended to be taken away. The member opposite knows full well that when the hospitals were converted, lab and X-ray services stayed, nursing services stayed. In integrated facilities we were working with 24-hour nurses, or where there was a long-term care facility, and so on.

He knows full well but he chooses to distort the information because he thinks that's the secret to his success.

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Mr. Speaker, is Madam Minister saying to us in the Legislative Assembly that the people in rural Saskatchewan were not telling the truth? Is that what I hear? Those people that said they only had eight hours of service instead of the 24 hours that they were . . .

Mr. Speaker, Madam Minister, to implement all aspects of the agreement reached with the Rural Health Coalition will cost a substantial amount of money. We can only guess, because she didn't answer the last question.

To the minister: where will the money come from and is this money allocated in the budget?

**Some Hon. Members:** Hear, hear!

**Hon. Ms. Simard:** — Mr. Speaker, the money is allocated in the budget and was in this year's budget. The member opposite knows full well that we have been talking about the need to work towards transition services, and this obviously is why the Rural Health Coalition kicked him out of one of their meetings. Because his purpose here is to try and justify his actions and his own desire to distort what's taken place.

The fact is, I have said on numerous occasions that we are looking at what is needed in each community. We were looking at the issue of what sort of nursing services were needed; what sort of respite care was needed; what sort of palliative care. And that is an ongoing process, Mr. Speaker.

What allowed this to happen when we sat and talked to the Rural Health coalition, is we were able to share with them a lot of the plans that were in process, which cleared up a lot of the misinformation and fearmongering that was taking place by the Liberals in Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Thank you, Mr. Speaker. If the minister has done such a shiny job, why do we still have "Hospital fight not over" showing up?

**The Speaker:** — Order, order. Order. Order. I think the member knows full well that that was out of order, and I ask him to refrain from so doing.

**Mr. McPherson:** — I apologize for quoting from the *Leader-Post*, Mr. Speaker.

Mr. Speaker, Madam Minister, the NDP (New Democratic Party) government has been negotiating with Rural Health Coalition for months — since last fall.

Madam Minister, if this money was available all along, why did it take so long for you to arrive at a deal? And why did you choose to put rural families under such stress and worry at the meeting?

**Some Hon. Members:** Hear, hear!

**Hon. Ms. Simard:** — Mr. Speaker, I answered that question in my previous answer.

### Job Creation

**Mr. Goohsen:** — Mr. Speaker, a question from George Sharpe of Regina. The question, and I will quote: Mr. Premier, I want to know how is it, that over two years now your government has promised economic development and jobs, yet companies like Bird Construction have left and thousands of skilled jobs disappear every year. What is it that you could have done to cause so much work to disappear that all of the engineers, the consulting firms that I have approached, tell me that they have had their worst year in 1993.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Romanow:** — Mr. Speaker, I thank the hon. member for the question that he provides to us. I think it's the obvious message of this government that job creation is obviously the top priority, together with the question of bringing the fiscal house in order. I think we've done a pretty good job on both of these under very difficult circumstances.

The fiscal circumstances that we inherited, as the hon. member himself opposite will know, were rather difficult, to put it mildly. In fact we have the largest per capita debt in Canada still today, although in handling the deficit, we have the lowest per capita deficit in Canada today because we have a plan.

And part of this also is a plan for job creation, a job creation plan which, I might say to the hon. member, on a per capita basis in our budget amounts to \$90 per capita in Saskatchewan compared to yesterday's federal budget of only \$64 per capita, if you take into account what the federal Liberal administration said was job creation.

Now if the member says that we have not completed the task, I agree with them. There is much more yet ahead of us. We are committed to continue pursuing it. We have put as much money as we can give in strained resources, and I think there's growing optimism and growing confidence in the people of Saskatchewan about our job prospects and our economic opportunities. And I wish that the Conservatives and the Liberals would catch the wave and join that growing optimism.

**Some Hon. Members:** Hear, hear!

### INTRODUCTION OF BILLS

#### Bill No. 11 — An Act to amend The Legislative Assembly and Executive Council Act (Free Votes)

**Mr. Swenson:** — Mr. Speaker, I move that a Bill to amend The Legislative Assembly and Executive Council Act (Free Votes) be now introduced and read the first time.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

**Bill No. 12 — An Act to amend The Ombudsman Act**

**Hon. Mr. Pringle:** — Thank you, Mr. Speaker. Mr. Speaker, I move that a Bill to amend The Ombudsman Act be now introduced and read a first time.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

**Bill No. 13 — An Act to amend The Saskatchewan Assistance Act**

**Hon. Mr. Pringle:** — Mr. Speaker, I move that a Bill to amend The Saskatchewan Assistance Act be now introduced and read a first time.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

**Mr. Sonntag:** — Thank you, Mr. Speaker. I ask leave before orders of the day to report on the 1994 Saskatchewan Indian Winter Games.

Leave not granted.

**ORDERS OF THE DAY**

**WRITTEN QUESTIONS**

**Hon. Mr. Lingenfelter:** — Mr. Speaker, as it relates to questions nos. 27 to 30 put by members opposite, I would request they be converted to motions for return (debatable). And further, Mr. Speaker, as it relates to the answer to question 31, I would like to table the response at this time.

**The Speaker:** — Did I understand the minister correctly? That 27, 28, 29, and 30 motions for return debate?

**Hon. Mr. Lingenfelter:** — Yes, Mr. Speaker, that they be converted to motions for returns (debatable).

**The Speaker:** — For return debate and 31 has been tabled.

**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 this Assembly resolve itself into the Committee of Finance.

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me pleasure today to enter into this budget debate, particularly after the events of yesterday when we saw the federal government also bring down its budget. And I would have to say, Mr. Speaker, in listening to the federal budget yesterday, and to the provincial budget last week, that neither one of those two governments were listening to the wishes of people both in this province and the country of Canada.

And as I said in my remarks in the throne speech debate, Mr. Speaker, I think both governments needed to clearly ask a simple question and they needed to answer that question. Have they been listening to the people that they are charged with serving? And I don't believe, Mr. Speaker, that either one fits the question.

Mr. Speaker, I'm primarily going to deal with the provincial budget today because that's the topic that we're debating here, of whether that particular budget is worthwhile carrying forward in this Assembly as the game plan of the people of Saskatchewan, the game plan that all of us as taxpayers will feel comfortable with being a part of.

Mr. Speaker, I will say in both circumstances that I think they missed the mood of the public which says today that government must cut itself, that government must stop spending the taxpayers money in the volumes that they have in the past. Mr. Speaker, governments of all stripes have been guilty of that for a goodly long time, both in this province and in this country. Clearly today the wishes and the views of people in this province are that government must cut back and that services must be delivered for less.

Yesterday, Mr. Speaker, the federal government did nothing to assist our provincial government in that endeavour and certainly the provincial government last week I believe only partially answered some of those concerns. Because I look at the level of taxation, Mr. Speaker, in this province both as a direct result of federal and provincial taxation and all I see is an ever-growing list of tax burdens upon the public.

My colleague, the member from Morse, in question period today raised the fact that senior citizens in this province are going to have a total tax bill of over \$80 million extra because of what has transpired. And it is irresponsible of the Minister of Finance in this province, who brought down a budget last week saying no new taxes, to stand in her place and deny that has taken place, and then to make flimsy excuses about how that money would be spent.

Well, Mr. Speaker, the fact is that that windfall occurred yesterday for this government and they should give clear indications to the most over-taxed population in our country what they are going to do with that windfall to lessen the burden, the tax burden, that has been placed upon the people of this province by this administration since it took office in October of 1991.

Because, Mr. Speaker, most of us well remember the promises that were made in that election campaign in 1991 about a government that would reduce taxes, not increase them, about a government that would not stand in the way of job creation through increased taxes and fees; that we would have an administration that would see our population grow because the climate in Saskatchewan was going to change, that the waste and the mismanagement was going to be removed; that people would come back to this province because the tax level was going to be one that people would appreciate.

Well, Mr. Speaker, that simply hasn't occurred. The promise was not kept then and the promise was not kept last week in the minister's budget address.

Now, Mr. Speaker, I suppose we're going to hear a great many speeches in this debate about what the federal government have done in the way of making this provincial government of ours act the way that they do. And there will be some legitimacy, Mr. Speaker, because I believe that the promises made in the recent federal election campaign by the federal Liberal Party are also going to be broken very quickly.

But the simple fact is, Mr. Speaker, that employment in this province today, employment in this province today is 12,000 less than when these people took office a little over two years ago. The out-migration which they promised to stop because of the new environment in this province continues to this day. The total number of people working in our province, Mr. Speaker, is at a 10-year low, a 10-year low.

The welfare numbers in this province are at an all-time high: 77,000 citizens in the province of Saskatchewan are on public assistance.

Mr. Speaker, if out-migration continues at the pace that it has, if the job numbers continue to drop, Mr. Speaker, we are getting dangerously close to double digits in the number of people that are on social assistance in this province.

Now I would think if I were a part of a government that was truly listening, Mr. Speaker, truly listening to what people want, those numbers would be of a deep source of embarrassment for me, not only because I'd broken all of my promises of two short years ago . . . that's bad enough in what it does to the credibility of the political system in this province, Mr. Speaker.

Besides the fact that they broke all of those promises, and to get themselves elected, the simple fact is, Mr. Speaker, that those numbers are a tragedy. They are a human tragedy because people in this province, Mr. Speaker, still like to work, believe it or not. And I say to the members of the government, Saskatchewan's work ethic is as strong today as it has ever been. People in this province want to work. They want to know that they have a government that will work with them in creating an environment and a market-place that allows job creation to be a fact, not a deficit.

Mr. Speaker, when you think of the fact that the

average family of four — and the government uses some numbers about what an average family's income is in this province; the Minister of Finance had it in her budget — that that average family of four has had an increase, an increase, Mr. Speaker, of over \$2,300 in tax load since this government was elected a little over two years ago — \$2,300 for the average family of four.

Now, Mr. Speaker, I don't know what \$2,300 means to you, but I know to families that I represent, some of whom have had a minus net income many years during the 1980s and the 1990s because of international commodity prices, who have had family incomes that would be below what is considered the poverty line in this province for nearly a decade, that \$2,300 is a tremendous burden to bear. It is a burden that hits them in their everyday life, 365 days of the year.

Now, Mr. Speaker, when you stack that up against a Minister of Finance that has the gall to come into this Assembly and say, no new taxes, when the repercussions of her budget last year are only now rippling through our entire society, I would say, Mr. Speaker, that we have a problem. Because that is not delivering on a promise — that is not delivering on a promise. That is abusing a privilege.

Now, Mr. Speaker, people in Saskatchewan have been very forgiving because they understand the question of debt and deficit. They understand that this province is under extreme pressure to bring its financial house in order. And I do give the government some credit, Mr. Speaker, for doing things that are helping that process. It is absolutely fundamental.

As my colleague from Moosomin pointed out in his speech the other day, that process had begun with the Hon. Lorne Hepworth back in 1989. Members of the media have commented on it, that this province has been on a deficit reduction track for at least the last five years.

And I think the average taxpayer in this province supports that 100 per cent, and that is why, Mr. Speaker, this government has had the benefit of the doubt. That is why over the last two years Saskatchewan voters and taxpayers and families have said: I give you the benefit of the doubt; you haven't kept your promises to me but I'm going to allow you to proceed down this path.

Well, Mr. Speaker, it is very clear now as we go down that path that this government has no intention of keeping that promise, no intention at all, because if they did, if they did, Mr. Speaker, these numbers wouldn't be before us today. They wouldn't be before us because the climate that is absolutely necessary to generate more tax dollars in this province, i.e., more taxpayers, would have occurred.

Mr. Speaker, this province is lagging behind, lagging behind other jurisdictions in North America who are withdrawing themselves from the recession by the combination of cutting back on government spending

and encouraging the private sector to produce the jobs that are so necessary in our society.

Mr. Speaker, the Minister of Finance stood in the House last week and delivered a budget that doesn't account for 40 per cent of the expenditures of the Government of Saskatchewan — 40 per cent of what we do in this province was not accounted for in the budget.

(1445)

And, Mr. Speaker, that is one reason, one reason that the economic climate that is so absolutely necessary to generate jobs in this province has not occurred, because that entire Crown sector is not open, it is not visible, and it does not play a constructive role in revitalizing the economy in this province. And we had a demonstration of that yesterday, Mr. Speaker, like we haven't had before in this province and under this government's administration in the last two years.

After leading on, after leading on community after community and company after company, holding out the prospect of co-generation, of cooperation — that favourite word of members opposite, of cooperation — to develop new industry and new industrial base and new jobs, yesterday the government jerked the rug out from underneath him. They asked him to go out and spend tens of thousands, and in some cases hundreds of thousands of dollars, spend their own money to generate economic potential in this province. And what happens? After two years' time they jerk the rug out from under them.

Mr. Speaker, if that is cooperation, if that is the cooperation that the *Partnership for Renewal* speaks about, then I would say, Mr. Speaker, that that entire program should be trashed and we're going to have to start over again.

Mr. Speaker, there's a number of examples, I think, that reinforce the point that I'm trying to make today to our provincial government. And I would suspect that you can go through the provincial economy sector by sector and you will find the same results, Mr. Speaker. Ours still is an economy that is based upon the utilization of our raw resources, the farm land, of which our province has more than half of the entire area of Canada, and the basic manufacturing that we do in this province. And, Mr. Speaker, this has also been referred to in the Assembly.

I take the fact sheet that the mining association sent around the other day. Mining is a very important sector in our province, Mr. Speaker. We all see it. It's very visible — direct employment, both in this city and the city of Moose Jaw. Certainly in northern Saskatchewan it is one of the main, primary industries. It supports the potash business which is run out of Saskatoon. It is a fundamental employer and part of our economy.

Mr. Speaker, that fact sheet shows us that since this government came into being that there has been an increased burden of over \$53 million in taxation and

Crown charges.

Now, Mr. Speaker, how many more people would have been employed in this sector if this government truly was trying to cooperate on new ventures; was truly trying to encourage the maximum amount of employment possible in the exploitation of our raw resources? Because, Mr. Speaker, in almost every case in the mining industry, those are well-paying jobs. Those are jobs that are highly sought after because of the level of remuneration and because Saskatchewan is a good place to mine.

If you take the average industrial wage in this province, Mr. Speaker, we are talking about thousands of potential employees.

What does that say to people in the North of our province? What does that say to aboriginal people who are looking for that first job opportunity when you see that the level of taxation is denying them the opportunity to enter the workforce?

And I say to you, Mr. Speaker, that that is an absolute truth. That because the way this government is managing our economy through an ever-increasing tax load, that these people are denied that opportunity to enter the workforce in this province.

The numbers are there. Over \$12 million extra in two years, Mr. Speaker, in electrical and other utility charges to the mining industry — \$12 million. And you know what? There is absolutely no transparency in that entire Crown sector for those people to look at.

The people in the mining industry don't know if that should be 12 or 10 or 14. They have no way of gauging, Mr. Speaker. They don't know if there's cross-subsidization there. All they know is that it is a cost of doing business. And because of the way they are charged, it might as well be a tax. We might as well call it what it is, Mr. Speaker; it is a tax.

And I remember well the member from Riversdale saying in an earlier day that taxes were the biggest killer of jobs that we have in our society. The member from Riversdale stood and campaigned and said that taxes are the biggest killer of jobs that we have in our society today.

That's when he was talking about lowering the provincial sales tax. That was when he was talking about the changes that must come to the GST (goods and services tax). That's when he was saying that harmonization was fundamentally wrong for growth in our province's economy.

Well, Mr. Speaker, I think if you ask the mining industry today about those \$12 million in taxes in the form of utility charges, they would agree with the member from Riversdale that that is the biggest killer of jobs in our society today.

Mr. Speaker, I move to another area, another promise made to the business community of this province. A promise made because also the member from



Riversdale said that the tendering policies in this province much change, that low tenders must become the rule because the taxpayer must get the maximum bang for his buck; that you can't be playing jiggy-pokery with the tendering system.

And what do we see today? What do we see today in this province, Mr. Speaker? We see the members of executive government cherry-picking their way through contracts all over this province. And as they cherry-pick those contracts, they determine that yes, this one is going to be union preference and this one isn't going to be union preference.

And now the chickens are coming home to roost, Mr. Speaker. Now we see the Melfort pipeline — half low-bid tender, half we're-not-sure-what tender. The half low-bid tender is in place, pressure checked, and ready to deliver water to the community of Melfort and surrounding area, and the other one is full of leaks.

It's not finished yet. It has left hundreds of thousands of dollars around the community of Melfort not paid for, and it's still not finished, Mr. Speaker. And we don't know when it will be finished, because that's what happens, Mr. Speaker, when people do not adhere to the principles that they talked about when they sought election in this province.

Mr. Speaker, we have asked time after time, what are the rules? What are the rules? The SaskTel tender in Moose Jaw I believe is supposed to close today or tomorrow. A million-dollar tender, Mr. Speaker, with union-only preferences attached to the tender, when the minister responsible for SaskTel said that that policy, if you can call it that, would only exist in the cities of Saskatoon and Regina. Over \$15 million . . . or \$15,000.

Mr. Speaker, what does that say to anyone who is interested in creating jobs in this province? How do you bid a tender that says maybe this, maybe that, union preference, and the amount of subtrades that I use, no percentages. Mr. Speaker, it is absolutely impossible.

You talk to people in the construction industry today in this province, they say, I don't know what to do. I don't know if I bid it union, non-union. I mean it is absolutely bizarre, Mr. Speaker, when one of the subtrades ends up as the general contractor on a project because of the way this government opens tenders.

And the minister of SaskTel stands in the House on budget day and says, no it wasn't this way. And you call him to account a few days later and he says, oh I guess I didn't hear right. Well he heard right, Mr. Speaker. He was just too darned embarrassed in front of all of the folks here that day to tell it like it was. He knew exactly what the numbers were. And he knew with all the folks that were gathered here on that day that they would find that absolutely appalling, Mr. Speaker, that \$145,000 of taxpayers' money had been wasted, had been absolutely wasted.

Now how are you going to do that in question period before the budget's delivered, Mr. Speaker? How can you stand up and say the promise is being made, that we are spending taxpayers' money responsibly, and in question period before that you'd have to stand up and admit that \$145,000 had been blown away? You couldn't do that, Mr. Speaker. So the minister had to apologize to the House for giving us the wrong number. At least he had the courage to do it. At least he had the courage to do it.

But the simple fact is, Mr. Speaker, that you cannot have multiple sets of rules. And I think the member from Riversdale understands that because he campaigned on it. He said, I am seeking election as Premier of this province because I believe that you must go to the low-tender system, given where our economy is. And the expectations of taxpayers are that we have to go to that system.

And that is not the case, Mr. Speaker. And there is no clear rules, and now we have million-dollar tenders out there that are diametrically opposed to the stated policy of the Government of Saskatchewan. And they expect the business community to cooperate? They expect the business community to put their dollars on the line? No, sir, Mr. Speaker. No, sir.

And that is why you have a deficit today — a deficit today of 12,000 jobs less than when these people took office. That's why, Mr. Speaker. It's credibility and it is not fair.

A recent example, Mr. Speaker. I, like many other members in this House, attended the SUMA (Saskatchewan Urban Municipalities Association) convention. That's our cities and our towns and our villages who gather together each year, discuss mutual concerns. All of them, Mr. Speaker, waiting with bated breath for the delivery of the federal-provincial infrastructure program. Because in last fall's election campaign we saw the Liberal Party say that job creation and the resurrection of our infrastructure is absolutely fundamental to urban areas in our country. Well I think they took them at their word, Mr. Speaker, and they lined up and they said: are we ready to go? We're going to put some people to work; let's do this infrastructure program; you put some money up and I'll put some money up and we'll go to work.

Well, Mr. Speaker, what happened? I can tell you what happened at SUMA. SUMA roundly castigated this government for breaking a promise. That's what happened. And then the minister responsible, a few days later, had to write the chairman of SUMA a nasty little letter saying: gee, are we ever disappointed in the way that you presented the facts at your convention.

Well, Mr. Speaker, if the government had been upfront with these people, if they had been upfront and truthful from day one, none of that would have occurred. You wouldn't have all of urban government in this province angry. You wouldn't have had broken promises. But no, this government says I've got to

back-door my way through some of the capital projects in this province, and to do that I'm going to take my share and part of yours. I'm going to take mine and part of yours, and I'm going to put it into some of my capital projects and there's not a darn thing you can do about it.

So now we have urban government, Mr. Speaker, urban government who expected so much . . . And I do believe they didn't expect the federal Liberal government to let them down in negotiations. I mean they are learning to expect this kind of treatment from this NDP government here, but I didn't think for a minute that they thought that this newly-elected Liberal government was going to let them down. But they did.

(1500)

So what do we do now, Mr. Speaker? We have all of these urban governments all over Saskatchewan catching the second wave of the Minister of Finance's broken promises, catching this wave of hikes in school mill rates, utility rate increases, increases across the board to the way that they do business because they are all on balanced-budget legislation, Mr. Speaker, in effect. Catching this second wave, the repercussions of last year's budget, ready to go to work, to put people to work on infrastructure, and the money isn't there. The money isn't there.

Now I ask you, Mr. Speaker, is there any wonder, is there any wonder that all of those people are saying, when the Finance minister stands up and says keeping their promise, they say, what promise? Keeping what? Keeping my money is what they're saying. That's what the provincial government's doing, is keeping my money — money that was promised. And that is the truth, Mr. Speaker.

And the ministers don't like to hear it, but I can tell you, Mr. Speaker, that if there is very much done on infrastructure in this province, it will be done because people in our towns and our cities and our villages have got the courage to do what the provincial government has reneged upon. And that is keep that commitment to those job numbers that are so fundamental to the well-being of this province.

Now, Mr. Speaker, we don't know what all of the repercussions are going to be here yet because of the federal budget. But my guess is if the Liberals in Ottawa act like Liberals in Ottawa have always done, then western Canada had better beware. And I would like to give the Minister of Finance some credit for standing in this Assembly and saying that the two NDP governments and the two Conservative governments in western Canada are going to stand four-square against what has gone on with tobacco taxes in this country.

Once again we have seen the pandering to Quebec begin, and it's unfortunate, Mr. Speaker, because it doesn't do our country any good. But almost immediately upon taking office, this federal Liberal government starts to pander to eastern Canada. And

now the battle line has to be drawn at the Manitoba border and the government of Mr. Filmon is squarely on the firing line.

And, Mr. Speaker, I hope that this Minister of Finance and this government back up their words that they are going to be part of standing four-square against what has gone on in Ottawa. Because, Mr. Speaker, it simply is not right that they can cancel a tax that will take millions and hundreds of millions of dollars out of the economy that will put other pressures on people in this province, Mr. Speaker.

And you only have to ask senior citizens today what those pressures are. Because senior citizens in our province today, Mr. Speaker, are feeling the full impact. Seniors don't create a lot of jobs, Mr. Speaker, seniors don't create a lot of jobs. But I can tell you that the support that they give to other members of their families determines in many cases whether people stay in this province and work and raise their families and then raise the grandchildren of those seniors, or they don't; or they move somewhere else.

And today the seniors in this province took a big hit, Mr. Speaker. And I hope that the Minister of Finance, in delivering the promise that she made to them last week, understands very clearly how important they are to our economy, to many of the jobs that we have in this economy. And I think particularly of health care and some of the things that this government has done.

Mr. Speaker, the Minister of Finance in this province didn't even have the courage to put a job forecast in place this year. Last year she forecast 2,000 new jobs, and at the end of two years there would be 5,000. Well, Mr. Speaker, that account is in a deficit right now, so we've got a long way to go.

The 30,000 jobs that were promised by the member from Riversdale in the fall of 1991 that he would deliver in this province by the end of the decade are in a deficit position. It's no longer 30, Mr. Speaker, it's 42,000 and growing — 42,000 and growing.

And I can tell you, Mr. Speaker, the optimistic projections that the Minister of Finance made on personal income tax to balance her budget, right now are nothing but a pipedream because it is going to take a lot of taxpayers paying a lot more income tax than what the average is in this province to come up with that number. It's going to take many thousands of taxpayers, Mr. Speaker, making nearly double what the average income in this province is to come up with what she's projected.

Mr. Speaker, that's optimism, considering that everything else that the government has done to the present simply erodes the job base. The biggest killer of jobs is taxes. And I quote once more what the member from Riversdale said.

So we are in a deficit position, and I for the life of me, Mr. Speaker, don't understand how those kind of projections of \$40 million more in personal income tax can come true if we aren't having any new

taxpayers. I don't think you or I or anyone else is expecting to get a major bump in income this year. Matter of fact the last numbers that I saw on average farm income in this province were going the other way.

I had a meeting yesterday with some of the members of the Sask Pool board of directors. They have a tremendous concern that what they see over the next few years is farm income that is, at best, flat.

Now, Mr. Speaker, that is still one of the major components of our society. The mining industry, which is another one which I've quoted numbers from, aren't expecting any large bumps. In fact, if they keep paying more taxes, it goes the other way, Mr. Speaker.

I would suspect that oil and gas manufacturing, other areas, would tell you the same story, Mr. Speaker. Where in the world is this extra \$40 million in personal income tax going to come from?

Well, Mr. Speaker, I think it can come. But it requires some fundamental changes in the way that the New Democratic government in this province operates.

First of all, before they bring a new Trade Union Act into this legislature, a new Labour Standards Act, they'd better change the way that they do consultation with the people that pay the bills. Because everything I'm being told, Mr. Speaker, would lead me to believe that that isn't being done.

Oh the minister says that he consults and usually it turns into a 45-minute diatribe about labour legislation that's 60 years old. Now if that's consultation, Mr. Speaker, I can see why people aren't buying into it. It simply doesn't work that way. That before you bring in those types of Bills, you assess where you sit in the western Canadian market-place, where you sit with the 80 per cent of the goods that are produced in this province and must be exported for a sale.

I would think before you would bring that kind of legislation in, Mr. Speaker, you would want to make sure that the playing-field was fairly level and that you were on par with your competitors.

But, Mr. Speaker, I haven't seen that. I haven't seen that. And the threat hangs out there that this government, simply to please a selected few in the trade union movement, will come in and change the rules that will remove us from a competitive position; that we'll simply not have a level playing-field for the people in this province that manufacture and process and produce goods that they have to export in competition with others around the world.

And, Mr. Speaker, if that happens then those job numbers that I have talked about and those projections that the Minister of Finance is making will ring ever more hollow than they do today because they simply, at the end of the day, cannot possibly add up.

So, Mr. Speaker, this government has definitely got to be more consultative. We have gone through the process of health care in this province, Mr. Speaker, and we know that it takes the threat of court action to bring this government to heel. We went through a process of destroying farm income support mechanisms in this province, Mr. Speaker, and even the threat of court action did not bring this government to heel; they simply pressed onward and destroyed a goodly part of the back-up systems that rural families relied upon.

Mr. Speaker, before we march ahead in this province and destroy more, then this government must become more open and more consultative before they destroy the very economic foundations that most jobs in this province are built upon.

Mr. Speaker, there is a crying need for legislative reform of this Assembly and the way that government interacts with the people, because quite frankly, Mr. Speaker, people do not feel comfortable with the way that their legislative agenda is delivered. They will not have the confidence to use it as a building block in their lives.

And I refer you specifically to an example which we think will help people in this province feel more comfortable with the way that government interacts. And I refer to the private member's Bill delivered in this Legislative Assembly which calls for an all-party committee to govern utility rates.

Now I know, Mr. Speaker, that there'll be ample opportunity to debate that particular Bill, and I don't want to get into any details. But if 40 per cent of the expenditures of government are outside of the budget speech and are in the realm of Crown corporations, then I think it reasonable, Mr. Speaker, that members of the public would want to know that their members of the legislature deal with those matters before the fact rather than after.

Now, Mr. Speaker, I have no problems with the Crown Corporations Committee, but the fact is that it deals with things that are a year and a half old in most cases. And that's just a fact of life, and it has ever been thus. But that does not mean, Mr. Speaker, that we cannot improve.

And I think a piece of legislation that demonstrates all-party commitment to how that 40 per cent of government is delivered to people would send a pretty strong signal out there. And I think it would say to the people today in our province who are feeling very rejected . . . I know in my community in Moose Jaw they're not feeling very good about themselves today because of what happened with co-generation.

The Wascana Energy project for our asphalt plant was looked upon by many as being a prime mover in the rebuilding of our infrastructure in the city of Moose Jaw. We were going to have a supply of steam that could be put into Providence Place, that could be used for greenhouses, that could form the basis of an

industrial component that we've never had access before to, Mr. Speaker. And I know in talking to members of city council and others that people are feeling that they don't have the proper input into that 40 per cent of government that is denied to them today.

And I think it would behove members of this Assembly, and particularly people that don't sit in cabinet, to have the ability to sit and review, and indeed if necessary, say no to the Crown corporations if they are taxing rather than simply looking after their needs. I think that would be a tremendous step, Mr. Speaker, and I don't think there's a person in this province that would criticize it. I don't know of anyone perhaps except the folks that sit in the benches across from me.

Mr. Speaker, that is a strange circumstance, a very strange circumstance. As a matter of fact, I would invite the members of the government to find me people in John Q. Public out there, the average taxpayer, who would object to that process. I challenge them to do that. Find me reasonable taxpayers out there who would say that is a bad thing, that members who are already paid a salary would sit and review a proposed utility rate increase.

(1515)

I don't think, Mr. Speaker, you'd find too many because those are the people out there right now that are fearful about their jobs; that are saying, where is the security that I hoped to have in my life.

I see jobs disappearing all around me. I see taxes going up. I see the inability of this government to turn around trends that are absolutely necessary so that my children after their education will stay here and work. That's what they say, Mr. Speaker. And I think a move like that might just put back a little bit of the respect that we would hope people have for the democratic process. And rightly so, Mr. Speaker. The government should have the majority in any effort like that because that is the duly elected government and they should have the majority say on any such committee. And I think the public would agree with that also.

Mr. Speaker, there are a number of initiatives that we can do in this Legislative Assembly to put back the confidence in the taxpayers of this province so that they will create the jobs that we need.

Mr. Speaker, co-generation is a symptom of what people are looking for in the 1990s and beyond. The people in this province have always been very forward-looking. In fact day by day I hear members in this Assembly stand up and quote, quote from the writings of Tommy Douglas, quote from the speeches of Tommy Douglas, quote just about anything at all from Tommy Douglas, because of how forward-looking he was, how he grabbed this province up by its bootstraps and drug it ahead. And we are just deluged with it, Mr. Speaker, even though most of them aren't old enough to remember Tommy Douglas.

So all I'm saying to them, Mr. Speaker, because we've always moved ahead, why not get on with doing some things like co-generation that, number one, provide more opportunities, they provide more educational opportunities, and they are a different way of doing things, Mr. Speaker, and they don't cost the taxpayer money because the proponents build the plant.

Now, Mr. Speaker, that is symptomatic of what people want for the future of our province. They want to use their educational talents, which are some of the highest in this country — and I see a number of people over there with one or two degrees from university. We are a very highly skilled, highly educated society, and they want to put those needs and skills to use, Mr. Speaker, but instead we seem to be blinded. We seem to be blinded by ideology, we seem to be blinded by the fact that maybe somebody else talked about it in the past, and we are incapable of mustering the courage to do it.

And, Mr. Speaker, that is the reason why we have a 42,000 job deficit. That is why, Mr. Speaker, the average family in this province is paying \$2,300 in taxes more than they did last year. Because it is far simpler to simply tax, and levy, and add to the already burdensome costs of living in this province than it is to use your imagination, and your education, and your God-given abilities, to strike out in a new direction. It is simply much easier to tax, Mr. Speaker, and cover up — and cover up — for the promises that have been broke.

Mr. Speaker, the other day one of my colleagues stood in this House and went through a list of the increased costs that the average family bears. Mr. Speaker, it was dozens and dozens of pages. If the member from Riversdale was right that taxes are the biggest killer of jobs in our provincial economy — if he was right and I think he is, Mr. Speaker — I think I've presented enough evidence today to say that he's right on the money. And I think that you've heard many members in this Assembly prove it. Matter of fact, I've even heard the Minister of Finance stand in her place and already castigate the new Liberal government — as she did today — for tax increases which are going to be killers of jobs in our economy.

If that is a proven and known fact and accepted by all — and I only have to take the word of the member from Westmount that it is, because she said it today — then I say to this government: start listening to the people that you are charged with representing. Don't forge ahead in some of these ill thought-out ventures as you have in the past simply because you have a large majority and you think you can steamroller over the folk. But stand back and think twice and three times if they need to. Because this session, I say to you, Mr. Speaker, this session of the legislature will be the last one when this government would attempt to do that. They simply are getting too close to an election call after that, Mr. Speaker, to trod on people as they have in the past.

And I say to them, honestly look at the way that we can

change as a political society and a way that we deliver government to the people that elected us. And think about how we, as an Assembly, can cooperate in putting through meaningful change. Because it is on their agenda, Mr. Speaker, and no one denies it.

It was on the agenda when Meech was defeated and most of us sitting in this House, the elected people, subscribe to that. It was on the agenda last year in the federal election. It was on the agenda in 1991, Mr. Speaker. People are tired of the way that the political system uses and abuses them.

And I say that, Mr. Speaker, because my party when in government did that. Allan Blakeney's government before that did it and Ross Thatcher's government before him did it.

And there are some opportunities open to us as they have never been open before to change the way that we deliver to the taxpayers of this province. And I tell you, Mr. Speaker, if the commitments to new jobs, if the commitment to growth, if the commitment to the preservation of the social safety net in this province is going to be achieved, it can only be done one way. That is more taxpayers paying more taxes because they have better incomes and better job opportunities than they've ever had before.

And then, Mr. Speaker, there will not be 77,000 people on social assistance in this province. There will not be people leaving our province each and every day for other jurisdictions. And there will not be a whole bunch of people in the province of Saskatchewan that are too scared to invest their hard-earned dollars in viable projects. Because they are afraid of government policy and they are afraid that the political system means more than the delivery of sound goods and services.

And, Mr. Speaker, that is a tragedy. And, Mr. Speaker, that is why this budget that claims it is fulfilling the promise is simply claiming nothing but hollow rhetoric. And, Mr. Speaker, that is why I will not support the budget as delivered by the Minister of Finance.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Order, order, order.

**Mr. Sonntag:** — Thank you very much, Mr. Speaker, and also thank you to my colleagues. It gives me a great deal of pleasure, Mr. Speaker, to join in the debate on the budget. I, first of all of course, want to compliment the Minister of Finance for the fine job that she done . . . that she has done, I should say.

And I note with apologies to our Minister of Finance that there's a striking similarity between her budget and that of the previous Conservative budgets — that is that she miscalculated just like Gary Lane and Lorne Hepworth did. But that's where the similarity ends. The Tory's miscalculation ended up being nearly \$800 million over budget while our minister's miscalculation ended up being \$2 million under

budget.

**Some Hon. Members:** Hear, hear!

**Mr. Sonntag:** — So, Madam Minister, as long as you remain under budget you can carry on with your miscalculations.

I also want to join with the minister and all of my colleagues on this side of the House in thanking the real heroes of this drama of financial recovery and that is the people of Saskatchewan. And to the men and women who sit on the school boards, RM (rural municipality) councils, town councils and health boards, I applaud you for the responsible manner in which you assisted us.

There has been much good news in this budget and also, Mr. Speaker, from my constituency. And as a matter of fact, Mr. Speaker, it gives me a great deal of pleasure to be able to speak briefly about the 1994 Saskatchewan Indian Winter Games to be held this weekend in Meadow Lake and in Beauval.

The games this year are being hosted by the Meadow Lake Tribal Council. These games will bring athletes from around the entire province and will prove, I am sure, to be very, very, exciting.

One of the main themes of the games is wellness. This has long been a concept that I argue has been far more traditional to the healing process within first nations people than it has to the rest of our society. This will be an exciting time with Grand Chief Ovide Mercredi and Chief Roland Crowe participating in the opening ceremonies.

Also present from CBC's (Canadian Broadcasting Corporation) *North of 60* will be Errol Kinistino, Tina Louise Bomberly, Michael Obey, Jimmy Herman and Dakota House. The Meadow Lake Tribal Council represents nine different first nation bands from the constituencies of Meadow Lake and Athabasca. There will be present also representatives from the Cree, Dene, Assiniboine, Dakota and Saulteaux linguistic groups. They will be there, Mr. Speaker, to support the athletes and to participate in workshops and to assist the participants of the games.

And so, Mr. Speaker, on behalf of my colleagues, the member from Athabasca, and the member from Cumberland House, who will both be involved in the weekend's activities, I want to wish the hosts, the Meadow Lake Tribal Council, the athletes, visitors and friends, a very successful 1994 Indian Winter Games.

**Some Hon. Members:** Hear, hear!

**Mr. Sonntag:** — To the third party, Mr. Speaker, the Liberals, I have a few words. How interesting it is to sit here and listen to the bobsled team over there natter about the new politics they are going to bring to this legislature. There are few things, Mr. Speaker, that irritate me more than unbridled self-righteousness. And I certainly witnessed a display of this in the reply

to the budget speech from the member from Greystone.

I warn all members that self-righteousness has a way of coming back to haunt you. How is it that the member from Greystone is able to entirely misrepresent the facts regarding ministerial assistants, get a 37 per cent salary increase herself, and yet imply somehow that everyone else is doing wrong.

This is the new politics, Mr. Speaker? I doubt it. In her reply to the budget speech she suggests that the budget is fine but somehow we are hiding things in our Crown corporations. Some of you will remember back to just over a year ago, Mr. Speaker, and I want to read verbatim from Public Accounts, February 5 of 1993. I want to read this into the records for the members of the Assembly and to the people of Saskatchewan who will be watching today.

This discussion takes place as a result of her accusations in the press where she also suggested that we were hiding things in the Crown. And I quote from the verbatim of February 5, 1993. Mr. Kujawa, and this question is to the auditor:

I have a question for the auditor. If the Liquor Board of Saskatchewan in the next three years makes \$7 billion profit, can that be hidden? And if so, how?

**Mr. Strelieff:** — Mr. Chair, members, as far as I know, it wouldn't be hidden under the practices of the government. I don't know how it would be hidden unless you change your practices.

**Mr. Kujawa:** — Did you say it can be hidden?

**Mr. Strelieff:** — Well under your current practices, it would not be hidden, so I don't think it would be.

**Mr. Kujawa:** — So you're saying they couldn't hide it.

**Mr. Strelieff:** — Mr. Chair, members, you wouldn't be able to hide it if you continue to follow the current practices that you've implemented. Yes.

**Some Hon. Members:** Hear, hear!

**Mr. Sonntag:** — And may I say parenthetically, Mr. Speaker, the only changes made since that statement was made by the auditor have been to improve the accountability of the Crowns.

There you have it, Mr. Speaker, unbridled self-righteousness; it comes back to haunt you every time, Mr. Speaker. And this is the new politics of the Liberal Party.

Let me just say a few more . . . let me make a few more comparisons. Here is what Ted Carmichael, a senior economist from Burns Fry, says about our budget. He

says that:

The Romanow government is developing an excellent track record in reducing the enormous deficit that it inherited. The province continues to have the highest per capita debt levels in the country, but the key debt-to-GDP ratios are expected to stabilize this year and then begin to decline. We expect the government to continue to hit its targets and therefore view the provincial credit rating outlook as positive.

(1530)

Now let us compare this to what the Liberal Party did in yesterday's federal budget. They are taxing many of the seniors in my constituency, Mr. Speaker, seniors who are on fixed incomes over \$26,000. Yet they are going to cater to their rich friends by maintaining the family trust which is, I argue, part of their new politics, Mr. Speaker. I say same old chicken, Mr. Speaker, same old chicken.

The Liberal Party is going to significantly lower the unemployment insurance benefits, which in my area will simply put more people on social assistance, Mr. Speaker. I see this as a blatant attack on many of the people that I represent. All of this to reduce the deficit, Mr. Speaker, to \$39.5 billion. Incredible, Mr. Speaker — \$39.5 billion.

If I could, tongue-in-cheek, quote the member from Greystone, Mr. Speaker, I'd probably say this: I'd say that I agree with the direction of the federal budget but I disagree with the process. So based on that I guess I will simply have to disagree with the entire budget and reject it in its entirety.

I want members to know also that a senior economist from the same Burns Fry who, by the way, spoke well of our budget and I just quoted it a few minutes ago — yesterday in her preliminary remarks with respect to the Liberal's federal budget was very, very reserved with her remarks regarding the federal budget. I believe she said that the federal Finance minister barely clung to credibility in the federal budget presentation — a \$39.5 billion budget. I say, same old chicken, Mr. Speaker.

Mr. Speaker, we are different. And I want to list for you just a few of the differences that we have. We are the only jurisdiction with the lowest per capita deficit in Canada. The 1994 provincial budget is on target with the government's plan to balance the budget by the 1996-97 fiscal year. The provincial budget contains no new taxes and no major program cuts. The provincial deficit is forecast to be \$189 million. This is the lowest budget deficit since 1982. In just three short years, Mr. Speaker, the provincial government has reduced the deficit from a projected \$1.3 billion to just \$189 million. This is a reduction or a turnaround of \$1 billion on an annual basis.

Meeting our financial targets means freedom — the freedom to invest in more jobs; the freedom to better

health care, agriculture, education, and social programs.

Mr. Speaker, I will not be in attendance for the vote on the budget on Thursday evening because I will be involved in the Saskatchewan Indian Winter Games which I referred to earlier. But I do want all members to know that I wholeheartedly endorse the minister's budget, as presented by the Minister of Finance, and I encourage all members of this Assembly to do so as well.

Thank you very much.

**Some Hon. Members:** Hear, hear!

**Hon. Ms. Atkinson:** — Thank you very much, Mr. Speaker. Mr. Speaker, I rise today to support the budget for the 1994-1995 fiscal year. Before I get into my main remarks I would however like to thank the people of Saskatoon Broadway, who are my constituents, for their ongoing support.

Our government can be justly proud of this budget because it represents an important turnaround in Saskatchewan's economic and social fortunes — a turnaround that our government has provided leadership for and, as noted in the budget speech, an economic recovery that was achieved by the people of our province.

The words bear repeating and I quote:

Our success rests with the people of this Province who understood the need, knew that difficult choices were required and were determined to make the sacrifices necessary to secure this Province's financial future.

As Minister of Education, Training and Employment, I want to say thank you — thank you to the thousands of partners in education for their effective stewardship and prudent financial management during tough economic times. It is our school boards, our post-secondary institutions, our teachers in the classroom, our administrators, and our other educational officials and leaders, parents and taxpayers, who deserve the credit for making this positive provincial budget possible. Faced with difficult decisions and hard choices because of the deficit situation and the provincial economy, these are the people on the front lines who managed effectively when faced with funding reductions.

There has been some pain but we now have the opportunity to gain. Today through this budget we can invest more in jobs, the number one concern of Saskatchewan people.

From the government's perspective we had to make some very difficult choices in education in order to do our part in rebuilding the Saskatchewan economy. We were able to let our education partners plan effectively by letting them know in advance the amounts of funding that would be available. Again this year we have given these partners advance notice

on the funding they could expect for 1995-1996 so that they can plan again for the next two years.

Today it's a great pleasure for me to be able to confirm what the Finance minister indicated on February 17, and that is that barring unforeseen circumstances such as major federal offloading there will be no further funding reductions for our educational partners in 1995-96. Saskatchewan has indeed turned the corner financially. Saskatchewan people deserve the credit for this turnaround and they can now begin to reap the long-term benefits of these tough, difficult choices.

Mr. Speaker, education remains a top priority of our government. Education continues to be the second-largest spending item in the provincial budget, almost \$889 million in 1994-1995. We recognize the importance of education and the fact that it is the single best investment for the future that we can make. Education makes a key contribution to the social and economic well-being and development of our province.

Today I am reminded of the words of the late Woodrow Lloyd, former premier of our province and one of our most distinguished educators. Mr. Lloyd was the minister of education for Saskatchewan from 1944 to 1960, and he earned a reputation for integrity, principle, and achievement in education that is, in my view, unparalleled in our history. In 1959 he commented: to eliminate thinking about economic means from any sincere discussion of educational ends is to place a blind eye to the telescope.

Well, Mr. Speaker, I think our neighbouring province of Alberta is a case in point. Where the Saskatchewan government has been prudent and cautious in the difficult process of trimming education spending, Alberta is currently eviscerating the education system in that province in the name of deficit reduction. We have not and we will not sacrifice the quality of our education at the altar of deficit and budget reductions in our province.

Mr. Speaker, the real deficit in our neighbouring province, Alberta, is a deficit in common sense and compassion. In Saskatchewan the needs of our students come first. All of our education partners share this belief and support this approach. About 97 per cent of the total dollars spent by the Department of Education, Training and Employment go to our education partners — our K to 12 schools, post-secondary educational institutions, and individuals in the form of third-party grants. Less than 3 per cent is spent on the internal operations and requirements of the Department of Education, Training and Employment.

All members will recall that jobs are the number one priority of this budget. About a year ago, a new Department of Education, Training and Employment was created as part of a government-wide restructuring. As the name suggests, we have focused on improving the linkages between the skills that education develops and the job market. We have made significant progress in a number of areas since

then, and today I wish to spend some time reporting to the Assembly on the important framework and strategic directions for education that we've developed.

Prominent among the strategic direction is a comprehensive training and employment strategy. Our people, our citizens, require the skills that education and training develop in a rapidly changing, technological, and global labour market. We are all aware of the federal Canada infrastructure works program which was recently announced, and Saskatchewan is one of the few provinces that is targeting some of this funding for education. The task of training Canadians for work is a central focus of our training strategy and a central theme in the current national review of social policy.

Earlier this month my colleague, the Minister of Social Services, and myself met with the Hon. Lloyd Axworthy, federal Human Resources minister in Ottawa. And I'm pleased to report that at that meeting there was agreement that the review process which Saskatchewan suggested for getting on with the job of reforming Canada's social programs . . . And while the review of social policy will take several months, Mr. Axworthy has agreed to work with us to further our training strategy. We will be pursuing these strategies with his department, namely, post-secondary education, training and employment services, K to 12 education, Indian and Metis education, and of course distance education.

We are seeking to expand opportunities for our youth to make the transition from school to work. Every young person in our province deserves the chance to develop his or her skills and contribute to our community.

The multi-party training plan announced in December, in partnership with the federal government and the Saskatchewan mineral resource sector, will train Northerners for 60 per cent of the permanent jobs expected to be created by expanded mining operations in northern Saskatchewan. This is a \$10.5 million plan that commits us to jobs for northern Saskatchewan people, particularly aboriginal people.

As part of the government's restructuring, including the Department of Education, Training and Employment, we are now responsible for the New Careers Corporation. This allows us to expand and enhance training and employment opportunities for those most in need during these difficult economic times. The New Careers Corporation offers employable people a real chance to become independent of income support programs and as a key part of the overall strategy for training and employment.

Mr. Speaker, once again the wise words of Woodrow Lloyd set the tone for my discussion of the vision for education that we are developing, and the strategic directions for education that will guide us into the next century.

Speaking to teachers in 1956, Mr. Lloyd noted:

No teacher can be adequate without a reasonable understanding of the problems which face the homes from which his students come.

This understanding is not obtained by osmosis alone. It is acquired through study and above all participation. My plea then is for integration with the community and identification with its struggles.

Well, Mr. Speaker, we are building and expanding upon Mr. Lloyd's idea today in our commitment to the integrated school-linked services strategy. This approach means breaking down the barriers of education that are presented when children have unmet needs and confronting difficulties such as hunger, poverty, family violence, and illiteracy.

In Saskatchewan we have initiated a number of projects across the province that emphasize integrated services in communities. And in the coming year we are moving beyond these successful pilots and building on these community-based models.

We intend to expand these integrated approaches and develop province-wide guidelines for service delivery.

Mr. Speaker, this innovative approach is rooted in a deep commitment by our government to two principles, the principles of cooperation and community. You could not disassociate the work of the school from the life of the community around it, and recent polls indicate that over 70 per cent of Saskatchewan people believe that our problems in our school system can be traced to the problems in students' homes or society in general.

(1545)

Mr. Speaker, we are devoting \$300,000 this year in support of the school-linked services strategy. In addition, members should be aware of preschool pilot projects in La Loche and Prince Albert which were started last year. We are providing \$98,000 to these preschools this year alone. They are an outstanding example of community-based prevention services and integrated services.

They are representative of education's strong support for the Saskatchewan action plan for children, an interdepartmental and government-wide approach to serving vulnerable families. This is an important and tangible commitment to the principles that led the United Nations to proclaim this year International Year of the Family, and which we are proud to participate in.

In support of these two guiding principles of cooperation and community, I also call the attention of members to our recent response to the



Saskatchewan School Trustees Association task force report on school governance. We have announced a limited number of voluntary school division amalgamation pilot projects for those ready school boards that choose to amalgamate.

Clear criteria for these voluntary amalgamations are to be drawn up by a committee which includes representatives of the SSTA (Saskatchewan School Trustees Association), the STF (Saskatchewan Teachers' Federation), and other educational partners.

These criteria will include such things as full community and staff involvement in the process, local control and decision making, and the need to integrate interdepartmental services to better serve our children and their families. We have to find more out about whether or not amalgamations will affect the quality of education, especially the quality of education in rural Saskatchewan.

Mr. Speaker, we are proceeding deliberately in changing Saskatchewan's education system to reflect changing realities. We are proceeding on the basis of a commitment to quality and equity in education, and perhaps most important of all, we are proceeding in partnership with the people, with our stakeholders. Consultation and collaboration and cooperation are the ways that our department does business.

An important part of this partnership approach was the creation of the Saskatchewan Education Council last year. The council is an advisory body representing most education partners. The council has developed a vision statement and a set of principles to guide future directions in education and training in our province. The Education Council will be advising our government on major issues in education and training over time.

In addition, Mr. Speaker, important reviews have taken place in both the post-secondary and K to 12 education systems, reviews and recommendations that are informing and guiding the process of change. We have the report of the university program review panel, the SIAST (Saskatchewan Institute of Applied Science and Technology) review, reviews of regional colleges and private vocational schools, and a report on distance education on the post-secondary side. We've also just released the high school review, a report on home-based education, and our response to the SSTA governance and school finance recommendations.

We have begun working with our post-secondary partners in education to develop system-wide objectives as part of our overall commitment to develop an integrated post-secondary system that responds effectively to the changing needs of Saskatchewan people. We seek to enhance the role of post-secondary institutions in supporting economic and social renewal, such as through new partnerships with industry to do basic and applied research, or with communities to support local development. We want to improve program delivery in rural and northern

Saskatchewan by working with post-secondary institutions to expand opportunities for our students and better respond to employment needs.

Taken all together, this represents a significant process at work. I want to underline and emphasize the fundamental importance of this process to the decisions that are being taken in education. There has never been, in the history of education in this province, such an extensive and grass roots consultation as the discussions held over Saskatchewan in the course of these comprehensive reviews. Parents, teachers, business people, labour people, and representatives of many, many communities and community organizations with a stake in education and training have been active participants in the process.

First and foremost, we believe it's critical that we look at the big picture. We must integrate all education reviews and recommendations as a whole, and in the context of real people in real Saskatchewan communities and schools. In turn, we place this information in the context of the importance which this government has placed in education as a key element of our overall strategy for economic and social renewal — a strategy for which we submit there is abundant evidence of success in this year's budget.

Education and training is an integral part of the *Partnership for Renewal*, our economic strategy. It is a crucial part of the Saskatchewan action plan for children. And it is a key player in forming aboriginal policy, and in supporting the wellness health initiative.

Mr. Speaker, I wish to briefly address the perception that we in Saskatchewan are somehow or other deficient, or not doing a good job as in other provinces, when it comes to education and training. This is not a new issue or concern and it's certainly not restricted to Saskatchewan or Canada. About 30 years ago, Mr. Lloyd reported to a group of Minnesota educators that, and I quote:

... it is fair to say that a considerable segment of the public is not convinced of either our sincerity or our achievement in regard to the basic skills subjects. Let us admit that this is at least as much our fault as theirs. The responsibility to produce convincing evidence is ours.

Well, Mr. Speaker, our government has accepted this challenge. While I understand the perception and the valid concerns it represents, it can be refuted in our province. And I welcome the opportunity to stand here today and say that Saskatchewan's quality of education is second to none in Canada.

And perhaps, Mr. Speaker, the best example of this reality is in our core curriculum. Wherever I go in Canada and whenever I meet with educators, I hear about the excellence of our curriculum. We are the envy of other jurisdictions.

At the same time I doubt if there are many parents in Saskatchewan who could tell you very much about core. This is a serious problem, because the core curriculum continues to be the guiding philosophy and framework for reform of our school programs. The curriculum has again been given a ringing endorsement by the just-completed high school review committee. And I share the concern of our education partners with the need to do a better job of communicating with parents and others.

Mr. Speaker, today I release the first report on behalf of our government of the Saskatchewan education indicators program. The indicators program is a comprehensive evaluation of the health of our education system. It is much more than a testing of school achievements . . . or student achievement levels. It takes a look at a wide range of factors. The indicator report tells us, among other things, that our education system and our students compare favourably with their national and international counterparts.

In 1989 the Education Indicators Advisory Committee was formed, with representation from key organizations. These organizations included teachers, trustees, administrators, the universities, business organizations, aboriginal representatives, and members of the Department of Education, Training and Employment. The Saskatchewan education indicators program is a comprehensive and systematic way of collecting and reporting information about the effectiveness of our school system, based on the provincial goals of education.

The Saskatchewan indicators program will provide more information on a wide range of factors in the education system including, in addition to test results, such things as drop-out rates, expenditures, teacher/student ratios, teacher qualifications, to name a few.

This program is much more comprehensive than the school achievement indicators program, which is strictly a national testing program in mathematics, reading, and writing. The SAIP (school achievement indicators program) is not a true and comprehensive indicators program. Saskatchewan's indicators program includes indicators such as demographic, social, and economic trends; drop-out and graduation rates; course utilization; expenditures; teacher supply and demand; and the system's effectiveness in meeting the diverse needs of all our students, to name a few.

And here are the key results. Saskatchewan shares with British Columbia the second-lowest drop-out rate in Canada. At 16 per cent, this drop-out rate is second only to Alberta. Obviously, Mr. Speaker, more work is required to keep Indian and Metis students in our schools.

In the international assessment of educational progress, Saskatchewan students compared well internationally and nationally in mathematics, science, and geography. We were above the average.

On the Canadian Test Centre's Canadian achievement test, Saskatchewan students consistently outperformed their counterparts in terms of grade-equivalent scores.

In the Statistics Canada survey of literacy skills, Saskatchewan had the highest proportion of 16- to 60-year-olds reading at level 4, the highest level in the survey. Our people are the most literate in the country.

Saskatchewan student/educator ratio of 16.6 to 1 is slightly higher than the Canadian average of 15.7 to 1. On a national comparison, Saskatchewan's per capita expenditure for 1989-90 of \$1,086 was virtually the same as the national expenditure of \$1,087. Saskatchewan's cost per pupil, \$4,981, compared favourably with the national average of \$5,617.

And the cost of education per student varied according to where our students live. In rural Saskatchewan the cost was \$5,624; in urban Saskatchewan it was \$4,668; and in northern Saskatchewan, \$7,541.

What we have learned from the indicators program is that Saskatchewan people can have confidence and pride in their education system. Our students can hold their own against their national and international counterparts and we will continue this process of evaluation. Next year we'll produce another report and the year after we'll produce another report so that the citizens of our province will know how our system is doing.

As we implement the core curriculum, it's important to know how Saskatchewan students are doing, and to assess this learning we are testing Saskatchewan students in grades 5, 8, and 11 this spring under the Saskatchewan provincial learning assessment program. Testing in reading and writing — language arts — commences in May, and a public report will follow. Within three years the development of new curricula for all of the required areas of study in the core curriculum will be developed and completed.

There is other evidence about how well we are doing and public perceptions when it comes to education and training. A recent poll reveals that 59 per cent of Saskatchewan people believe that the quality of K to 12 education in the province is excellent and good.

At the national level only 42 per cent of the people surveyed rate the quality of education in their province as excellent or good; 54 per cent of respondents here rate the quality of our post-secondary education system in Saskatchewan as excellent or good, compared to only 42 per cent nationally; 62 per cent of our respondents in the province believe that universities are doing a good job in preparing students for the work world. This compared to 54 per cent nationally.

Saskatchewan people have confidence in their classroom teachers, their school principals, students and parent groups as sources of information about

education issues — well ahead of business groups or newspapers.

Mr. Speaker, we are building on traditions of excellence in education and training. At the same time, we recognize that things have changed dramatically in our province in the last 10 years. Innovative approaches and a firm belief in cooperation and community will see us through as they have in the past.

A bright spot in this budget, Mr. Speaker, and for the future is in the area of distance education. We will work to improve access to educational opportunities through expanded program and technology options, better learning needs assessment, and support for the integration of technology and instructional design.

What I'm particularly pleased about and what I'm pleased to confirm today, that there is a substantial increase in the funding for the Saskatchewan Communications Network, or SCN. This funding will offset federal funding cuts and reflects the importance our government places in distance education as a key educational strategy. SCN builds partnerships with many organizations in our province including educational institutions — especially regional colleges — government departments, professional associations, NGOs (non-governmental organizations), and the province's film and video industry.

SCN and our government, Mr. Speaker, our government is committed to the development of the film and video industry in Saskatchewan. And that commitment is shown at a time of tight fiscal restraint by the fact that we have replaced that federal money that runs out at the end of March with new provincial money in order to support distance education in our province and in order to support our film and video industry. And for this I'm proud.

**Some Hon. Members:** Hear, hear!

(1600)

**Hon. Ms. Atkinson:** — Our government has recognized that the film and video industry generates direct economic benefits for our province in the form of jobs and financial investment. This is an investment in an environmentally friendly industry.

SCN's training network helps adult learners learn in their home community. It helps them acquire skills training, professional upgrading, or even start a university degree. The continuing success of the SCN training network is the result of SCN's effective partnerships.

In 1993-94 SCN will deliver 47 university, SIAST, and high school credit courses to more than 100 classes in the province. Anticipated enrolment will be approximately 3,300 individuals province wide.

With respect to another strategic direction, I want to stress the importance of working with Indian and

Metis people to resolve education and training issues through more effective processes. In particular we will be exploring ways of having Indian and Metis people have greater involvement over programs and services.

We are now working on a bilateral process with the Federation of Saskatchewan Indian Nations on education and training. A similar tripartite agreement that includes the Metis people and the federal government is also being planned. The development of a dynamic northern education and training strategy is one of our government's priorities.

Mr. Speaker, our commitment to quality is at the heart of the government's strategy for education and training. Our budget reflects values and principles that go beyond strictly economic circumstances and considerations. And it helps us to make the right decisions and do the right things.

Today, Mr. Speaker, I'm proud to carry on the tradition of excellence in education and good government that Saskatchewan people deserve and that our budget enhances.

Thank you very much.

**Some Hon. Members:** Hear, hear!

**Hon. Ms. Carson:** — Thank you, Mr. Speaker. Today it is my privilege to rise in support of the Minister of Finance and congratulate her on her budget and also to congratulate the people of Saskatchewan for being part of the solution instead of part of the problem, and undertaking this journey of renewal with us.

Mr. Speaker, Monday was Heritage Day in Saskatchewan, a day designated to celebrate the culture and the contributions of all the people who have been part of this province's proud history. We celebrate the ingenuity, generosity, spirituality, and proud traditions of the people of the first nations who lived on these plains for 6,000 years. And our government acknowledges and supports their desire for self-government and self-sufficiency.

We are grateful also for the wealth of culture and knowledge that our pioneers from Europe and Asia brought to our province. Our economic energy and social philosophy was drawn from the vision and industry of our pioneers.

Mr. Speaker, my constituency of Melfort represents a cross-section of all those ethnic groups, many of them building homes and establishing trading posts in the late 1890s. They worked hard to build a kind of province that would provide the economic independence and social security that they lacked in the old country.

They cleared the land, built the roads, schools, hospitals, and utilities. They believed in paying their debts as they went, and during times of crisis or need, they always were there to lend a helping hand to a neighbour. They were thrifty and industrious and they left for us a legacy we can be proud of.

Today in my constituency you will find some of the most advanced and successful industries in our province. In St. Brieux, Bourgault Industries is world renowned for its farm equipment. In Beatty, we have Industrial Automated Services Incorporated making automated mining robots for large, international mining companies. We have Thomson Meats selling processed meats around the world. We have seed cleaning plants, berry farms, bee-keepers, specialty crop growers, and intensive livestock operations.

Melfort is a constituency where the people know the meaning of diversification and cooperation. It is a constituency filled with people I am proud to call my friends and neighbours. They are people who understand that continuous deficits are the trade mark of a fiscally irresponsible and lazy government. And they understand that provincial debts are a deadly burden that we pass on to our children.

The people in my constituency look forward with anticipation and appreciation to the day our government can once again after 10 long years, have a balanced budget, something our pioneers took for granted. Our ancestors would be horrified if after all their hard work and diligence they were to learn that any government in the space of nine years could rack up \$11 billion of debt.

Mr. Speaker, I'm an ordinary person, a person who loves this province and is proud of its people. I'm a mother, a grandmother, a wife, and a teacher. I ran for elected office because I wanted this province to be governed by a party that could give my children's future back.

Mr. Speaker, my grandparents came to Saskatchewan from Norway in the early 1900s because they believed this to be a land of opportunity and great natural wealth. My father came to Saskatchewan from Germany in 1927 because he wanted freedom from political instability and social injustice.

My ancestors saw Saskatchewan as a land that could deliver that promise, the promise of economic opportunity, social equality, and political renewal. Delivery of that promise once again rings loud and clear in our throne speech and our budget speech this year.

Mr. Speaker, my parents and my grandparents worked hard to make their dreams a reality for their children. And under the last administration that dream nearly turned into a nightmare — a nightmare of debt, opportunities lost, and scorn for democratic principles.

My aspiration is to pass on to my children, Paul and Les and Mark and Shannon and Glen, economic opportunities, fiscal integrity, and respect for democratic institutions.

So here we are, Mr. Speaker, at the midpoint of our first term. And what have I learned? I have learned that Saskatchewan people are strong and resilient. I have

learned that delivering the promise means restoring honesty and integrity to our legislature. I have learned that delivering the promise means passing laws that bring social and economic equality to all people. I have learned to appreciate this legislature and support the purpose that it serves in our democratic society. I have learned what it takes to provide good government in tough economic times.

And I am proud of our Premier and thank him for his foresight and his perseverance, his sense of fairness, and his resolve to restore a democratic and fiscal integrity to our province. I am proud of our caucus that places the lives and the future of our children as their number one priority — a caucus that critically examines all options, makes tough decisions, and stands by them.

I am proud of our Finance minister and her spirit and her determination and her marvellous ability to maintain a compassionate face on a very difficult balanced budget plan.

**Some Hon. Members:** Hear, hear!

**Hon. Ms. Carson:** — I am proud, Mr. Speaker, I am proud of my staff and all the ministerial assistants who work long hours dealing with complex and controversial issues and who receive very little recognition from the public, and certainly none from the Leader of the Third Party, who made a mockery of their salary and qualification grid in order to gain political advantage in a by-election.

I am proud of the people who work in my department. They are excellent people who work hard to serve the people in this province. And they too are subject to unjustified criticism from opposition politicians, simply because it's vogue to denigrate the civil service. And in doing so, Mr. Speaker, these politicians undermine and denigrate our democratic institutions and their ability to serve the public.

I have learned that the Tory opposition still cannot admit that they sunk this province into debt to the brink of bankruptcy. I have learned that not one of them has the courage to stand up and to say to the public of Saskatchewan, I'm sorry — sorry that they gambled away this province's resources and finances, sorry that you gambled away our children's future. Only one Tory had the courage and the honesty to do that, and he was the former member from Melfort, Grant Hodgins. Do you remember him?

Instead we hear denials about the debt and criticisms about tax increases and expenditure cuts. After all this misery they created and all these years, they still don't understand why we have to make an interest payment of \$843 million. This is their legacy to our children — \$843 million in interest on their public debt.

The opposition members have developed a severe case of amnesia. They can't comprehend why we have an annual expenditure in our budget of \$843 million. Do they believe some buzzard circling overhead dropped it on us out of the blue? Or perhaps,

for some perverse and illogical reason, we made it up, just so we can cut programs and transfers and raise taxes? I have learned, Mr. Speaker, that if I had 10 per cent of that \$843 million in my budget this year I could fund all of SAMA's (Saskatchewan Assessment Management Agency) requirements and add 20 per cent to the revenue-sharing pools for municipal governments.

What unmitigated gall for the members from Morse and Thunder Creek to stand in this House and demand that we reduce taxes and increase expenditures. They were on the Treasury Board during their administration, and they know deficits can't disappear by magic, but they do know how to make them appear.

And we will all recall the enlightening comment by the member from Estevan when he said some years ago, deficits are just deferred taxes. Well they had deficits all right and now the people of Saskatchewan have to pay — pay by tax increases and program cuts.

Perhaps they will remember these words spoken by one of their own back in June of 1987 when the man announced the final reconciliation of the 1986-87 fiscal year. He said and I quote:

As a result, the deficit for the 1986-87 fiscal year will be \$1.235 billion.

Yes, \$1.235 billion annual deficit. Compare that with our deficit this year of 189 million. Mr. Speaker, we had the courage to take action to change that dangerous course that was a trademark of the last administration. We set our goals and we deliver the promise.

I can understand the Leader of the Third Party's naivety. She doesn't understand the complexity and the operations of government. She's like the Queen of Hearts in Alice in Wonderland — out of touch, living in an illusionary world. She lectures using bogus numbers and incoherent economic theories that have no application to actual fiscal realities in our province.

She is every bit as misguided and perverse as her Tory friends across the aisle. They know the truth but they can't speak it. She lives in a fantasy world and speaks in riddles. She supports a Liberal plan to reduce taxes on cigarettes and rejects export taxes for large tobacco companies. She supports bingos and horse racing but rejects VLTs (video lottery terminal).

She wants a balanced budget but rejects expenditure cuts and tax increases. She lectures about integrity in politicians but uses fraudulent information about ministerial salaries in order to gain votes. She criticizes the cost and the size of government but she received a raise of 37 per cent and an increase in her staff in 1993-94. She criticizes our government as an old boys' club but welcomes all the old, recycled, discredited Tories.

Mr. Speaker, the people in Municipal Government

support balanced budgets. They have helped us restore this province's finances and I thank them for their cooperation. They too are making the difficult choices. They are seeking ways of working together to provide better services and we are encouraging and helping them in that process.

This year, through a \$500,000 allocation to the ICC (inter community cooperation), the communities that have projects funded through the ICCs are leading the way to a new generation of municipal service delivery. And I want to congratulate them for their ingenuity and resourcefulness.

**Some Hon. Members:** Hear, hear!

(1615)

**Hon. Ms. Carson:** — Mr. Speaker, in my department, the Department of Municipal Government, some difficult choices had to be made and managed. And they were.

But it's important to note that changes were made with careful thought. Reductions in revenue sharing with municipal governments have been implemented, but the overall financial position of local governments has not been seriously affected by these reductions.

Revenue-sharing grants form a relatively small share of total municipal revenues, between 5 and 15 per cent in 1992, and municipalities have leadership and good management in keeping increases in property taxes to a minimum, below the rate of inflation. As a result of the reductions in transfers, the impact on the mill rate for rural and urban municipalities will only be 1.8 per cent. Reductions in revenue sharing should not be reflected by increases in property taxes. We believe this 1.8 per cent can be absorbed.

I think it's important to note that municipalities in this province are in good financial shape. In fact, while their debt load continues to decline, they have more and more money in the bank. The total reserves, which is cash in the bank, for RMs (rural municipality) sits at \$42 million while their debt load is 3 million. Villages have \$30 million in the bank with a debt load of only 2.6 million. And towns have \$60 million in reserves with a \$19 million debt load. In total, Mr. Speaker, municipalities in Saskatchewan have \$132 million in reserves with a total debt of 24 million.

Furthermore, health reform has reduced the amount of funding required from the property tax. Removing the union hospital requisition and replacing it with a flat 2 mill levy will save municipalities \$4.2 million in this year.

This government's compassionate approach to deficit control stands in stark contrast to that of our nearest neighbour to the west. We say reduction, while in Alberta they say elimination.

A new funding arrangement has been established for Saskatchewan Assessment Management Agency. Core funding has been set at \$4 million with

additional assistance from the province, of \$2 million. The new funding arrangement reflects the role of SAMA as primarily serving municipalities' interests. Municipalities also have assumed a more significant role in the governance of the agency.

Mr. Speaker, northern Saskatchewan deserves special attention for jobs and economic development, and my department will provide increased resources in support of community development in the North. This budget redirects over \$4 million to a strategy for economic renewal in the North. Funding will be made available to continue assisting northern municipalities in the construction and upgrading of water and sewer systems. Details of that program will be announced in the near future.

As well, to provide service to northern municipalities more efficiently, we have reorganized service delivery in the North under one branch of my department, northern affairs and municipal services. We look forward to the many projects that promise new jobs in community infrastructure in Saskatchewan through the Canada-Saskatchewan infrastructure works program. A total of \$173 million will be spent on projects across the province over the next two years and that will provide a significant boost to both the local economies and to local community infrastructure.

Mr. Speaker, sports and recreation play an important role in contributing to individual well-being, strong families, economic and social renewal of communities, and to the overall quality of life. My department has worked closely with key players in sports and recreation to develop a framework for coordinated planning and resource allocation amongst delivery system partners.

This includes a development and implementation of a two-year project intended to show how this sector can be used to address the needs of youth at risk; a development of an equity check-list tool designed to raise a level of awareness about the program needs for women, aboriginal people, the disabled, and visible minorities; and an ongoing work with key voluntary stakeholders to ensure that lottery funded programs are accessible to all groups regardless of age, race, sex, economic or social circumstance.

Mr. Speaker, social housing delivery continues to be a concern for us. This new federal Liberal government has continued on the same course of action that the last Tory government in Ottawa did — no new social housing delivery, no commitment to assist those people in our province with the greatest need, low income families and seniors.

Contrary to what is going on in provinces with Liberal and Tory administrations, we are maintaining our support for people in social housing. While these provinces have moved their subsidy to 30 per cent of rent geared to income, we will maintain our subsidy at 25 per cent of rent geared to income. And we have increased our maintenance program by \$300,000. This not only preserves our current housing stock, it

provides much-needed jobs for contractors, especially those in the North.

And, Mr. Speaker, we will continue to look for innovative ways to provide housing for needy families. We search out partners in community-based organizations. Habitat for Humanity is an excellent example. We thank these people for their hard work and hope that they will continue their work across our communities. Affordable and accessible housing for low-income families continues to challenge us, especially with no federal help.

Mr. Speaker, I'd like to take a moment to speak briefly about the lotteries. In the beginning it was volunteers — volunteer board members from Saskatchewan Sport Inc. who signed personal promissory notes of \$100,000 as Saskatchewan's share in the Western Canada Lottery Corporation. This initial commitment by volunteers had been nurtured by government, and funds through lottery sales have been raised to support sport, recreation, and culture programs in our province.

There has been substantial growth. In the beginning there was less than a hundred beneficiary organizations. Today there are more than 1,200 organizations and municipalities receiving grants from lottery proceeds. They in turn distribute grants to more than 12,000 affiliated volunteer organizations.

Some of the recipients of lottery monies include the nine tribal councils, 23 regional recreation associations, eight zone sports councils, the Organization of Saskatchewan Arts Councils, the Multicultural Council of Saskatchewan, Circle Vision Artists Inc., Youth Unlimited, Saskatchewan Seniors Mechanism, and many, many more — all empowering local people to enjoy life and to enhance their community.

This approach enables residents of all parts of the province to participate in a wide variety of activities, whether they live in Rosetown or Shell Lake. You have access to such things as volunteer leadership training, opportunities, coaching certification, touring visual and performing arts shows, and many, many more.

Saskatchewan's arm's-length approach to the marketing and distribution of lottery products and profits is unique. It has fostered the healthy development of a large group of volunteers and viable organizations which provide programs and services to all of Saskatchewan people. Our vision is to ensure that all Saskatchewan residents, regardless of age, race, geography, economic or social circumstance, realize the benefits that the sector provides. All residents should have reasonable access to sport, culture and recreation opportunities.

Mr. Speaker, I'd like to speak briefly about the economic impact of culture and the arts in Saskatchewan. Arts and culture industries are labour intensive, environmentally friendly, dependent on a renewable resource of human talent, and have a major global export potential.

In 1991, there were twice as many people employed in Saskatchewan arts and cultural industries as in the province's oilfields or the combined industries of uranium and potash. Over the last five years, film and video production in Saskatchewan increased by 82 per cent in value to more than \$11 million. And by 1996-97, employment in the provincial film and video industries is expected to double to the point where its economic contribution will be nearly \$30 million.

You will be interested in knowing that \$8 million a year in film and video production activity triggers \$13 million in spin-off benefits to the provincial economy. And this year again, we will provide \$1.5 million to SaskFilm. For each dollar invested, cultural activities have three and a half times the job creation capacity as other industries.

Using air travel, fax, telephone, courier, video, film, and other electronic communication, an artist can successfully pursue an international career in both rural and urban Saskatchewan.

In the past few years there have been many social and economic demands on the cultural sector in Saskatchewan. There have been many reports submitted to my department from different cultural sectors over the past few years. These reports inform government on the challenges facing arts, heritage, multiculturalism, book publishing, and film production.

With Saskatchewan cultural diversity, aboriginal and rural strength, unique regional artistic expression, highly developed education and library systems, pioneer history and rich heritage, the province is ready for a new and creative structure to emerge to ensure future health for the cultural sector.

There is a White Paper being drafted at this time which integrates the recommendations of all these reports from the cultural community. This will be used as a basis for discussion and input from the various cultural sectors upon its release later this year.

The work that has been done to date is leading the province towards a new cultural strategy which will see Saskatchewan culture positioned in a new economic and social framework. There is a need to show how our cultural agenda can contribute to the future prosperity of this province.

I am proud to be involved in the creation of this White Paper and feel strongly that it will provide guidance for our government's role in cultural policy development, legislation, funding, advocacy, and regulatory functions; and I'm certain that the White Paper will take into account the desire of the cultural community for sectorial self-determination and autonomy and the pressing need to make the best possible use of limited resources.

In conclusion, Mr. Speaker, our government is prepared to do what we said we would do — make

jobs a top priority, restructure health and agriculture, make government more open and accessible, make a future for our children and grandchildren. In short, Mr. Speaker, we stand ready to deliver the promise. Thank you.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Thank you very much, Mr. Speaker. Certainly it gives me a great pleasure to rise in this House and Assembly and to speak in support of the budget.

But first, Mr. Speaker, I want to take this opportunity, as others have, to congratulate the Liberal member from Regina North West on her recent by-election win. To have survived a long federal campaign, to follow only with a provincial campaign shortly thereafter, I believe indicates her commitment to her party and to public life.

I want also, Mr. Speaker, to congratulate two colleagues of mine — the member from Kelsey-Tisdale, who was recently promoted to cabinet as Minister of Highways and Transportation; also I'd like to congratulate the member from Saskatoon Eastview-Haultain, who recently became the Minister of Social Services.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — I am sure that both will do an excellent job.

Mr. Speaker, also I want, lest I forget, to congratulate the Minister of Finance for the outstanding job that she had done in bringing in this budget and the previous budget.

Mr. Speaker, as I've done on more than one occasion and alluded to, is the fact that I've had the privilege of representing an area of Quill Lakes for a considerable length of time. And I want to say that I believe that the people that I represent there collectively are the most innovative people in Saskatchewan. And long before diversification became the key word of economic development, spread across the area that I represent are the living demonstrations of innovative and entrepreneurial spirit of the people of that area.

I give you the examples of Schulte Industries in Englefeld, Dyna-Fab just north of Watson, Doeptker Industries at Annaheim, Michels Tarps, Western Industries, Hogemann Transport at St. Gregor; a potassium sulphate plant at Kandahar, Pound-Maker Ethanol plant at Lanigan, processing some, up to 16,000 head of cattle; Plains Poultry at Wynyard, Bergen Industries at Drake, meat processing plant also at Drake.

And most recently just out of Leroy, Brian Stomp Farms opened a 1,200 hog operation and in future expect to expand to 10,000 hogs per year. It's a great accomplishment for the area.

(1630)

And I want to mention that in Wynyard there are two companies, Vis-Vis, a bottling plant, and also Quill Springs water. Both plants are modern plants, both have great opportunity to be successful as contracts have been worked out with companies prepared to purchase the water.

The major problem has been insufficient capital to operate these plants. These plants represent some \$8 million in investment — some of it Japanese investment — and was developed essentially by a local businessman, Randy Martin in Wynyard.

And I believe that the government, although strapped for money, should make an effort to be instrumental in helping to put together a business plan to help get these plants operative. It would be good for employment and certainly good for the community of Wynyard.

Mr. Speaker, this budget is really a budget of economic renewal of our province, and as with any family or business, to be successful, the province must get its financial house in order. This government inherited a situation financially which could only be described as a financial crisis, the verge of bankruptcy.

And to his credit the Premier of the province at an early date on assuming office realized what had to be done; he initiated the plan from the outset to deal with the financial crisis and several steps were within that plan. He promised that he would open the books and the books were opened to advise the people of this province of the magnitude of the problem.

He set in motion a budgetary process to balance the budget by the year 1996-97 and he set the standard of how fiscal management would be achieved. It would be orderly, all would contribute fairly, and above all compassion for the least fortunate in society would be an inherent part of the plan.

And fourth, this government renegotiated many of the previous deals saving the taxpayers of this province in excess of \$400 million in either previous investment or guarantees. And finally the government introduced planned efficiencies in government saving million of dollars for the taxpayers.

But not only is it necessary to get the finances in order, the second component of economic renewal was required, and that was increased creation of wealth. This government realizes that if we are to provide the people with many of the benefits which they want and have become accustomed to, there must be the creation of wealth to support the cost of those programs.

With limited resources at its disposal, the government has set the stage for greater economic development. First, they established a climate to work with small business with its economic development plan, *Partnership for Renewal*. Secondly, it reduced corporate income tax on small business by 20 per cent over four years, recognizing that small business is the

greatest creator of jobs — 80 per cent of them. Third, it revised the royalty rates structure for oil and gas, to encourage development. And we've seen significant gains in that regard. Third, it proceeded with a deal for nuclear research in Saskatoon — an improved deal, I may say. Fifth, it proceeded with the development of uranium mines in northern Saskatchewan. Sixth, Saskatchewan Opportunities Corporation has been developed to replace SEDCO (Saskatchewan Economic Development Corporation) — \$6 million to provide equity financing, loans, and guarantees to Saskatchewan businesses geared to export market.

In agriculture, they have established \$20 million over four years, which will be invested in value added projects. A program to promote the beef industry . . . The beef industry development fund will be established to improve products and also markets.

And crop insurance is being improved. Spot loss hail coverage is being reinstated, which will be a great benefit to farmers. Farmers will be able to purchase whole farm crop insurance on all of their crop and save on premiums. And special diversification options added for minor crops currently not covered will be an added feature.

Mr. Speaker, these are some of the positive steps being taken by our government to ensure further economic development in this province, for only through greater economic development can our people prosper, obtain jobs, and have a decent quality of life. Mr. Speaker, this government is on the right track both in financial management and economic development.

Mr. Speaker, we are making progress, but there is an old saying that progress is a nice word but progress has its enemies, and each of us can make up our own list of enemies as to what is being achieved here in Saskatchewan. However I believe that our government can be successful if it continues to communicate well with the public; if the public are to be taken into its confidence by this government, share in the evolution of change, and become a part of the program development; if the people understand why government is taking a particular direction. In short, we must respect and trust the people of this province.

I want to say, Mr. Speaker, we can have the best government in Canada. And I can allude to that by the pre-1982 government of former premier, Allan Blakeney. But I say if we fail to communicate with the people, that which is right may in fact be wasted. Too often politicians become occupied with the implementation of plan and become a mere arm of the bureaucracy rather than true representatives of the people.

Our party has a great tradition established by Mr. Douglas, Lloyd, and Blakeney. Their success was to develop in the minds of the people of the province a basic trust. That trust had to be earned by their actions and it was. So to it is with our government. Its success or failure will depend on whether it can obtain the trust of the people of Saskatchewan.



And, Mr. Speaker, I want to say that this budget demonstrates this government's commitment to earn the respect of the people of Saskatchewan. It made a commitment to manage the financial affairs of this province and indeed it has delivered.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Mr. Speaker, in talking about communications I have a short press statement here from a Wynyard *Advance*, February 14 edition. And I think it demonstrates what good communication is. And it's just a short article that . . . two paragraphs that I want to read. It makes the point. And this article says:

Following the pre budget meeting in Wynyard, Janice MacKinnon, Minister of Finance, and her assistant promised they would direct . . . the Ministry of Health some specific concerns that we who live in rural Saskatchewan are having about new hospital policies in Saskatoon. In my editorial (Jan. 31) I did promise to keep everyone posted on (the) results.

A huge Valentine bouquet to Janice MacKinnon. I have had a call from the Ministry of Health. The staff person to whom I talked at length listened carefully . . . agreed we indeed have a valid and common sense (approach) . . . She said she would direct that concern to (the) health boards in Saskatoon and Regina and she gave me specific directions for backing her up with letters of my own.

A second huge Valentine bouquet to Debbie McEwan from the office of the Ministry of Health for destroying all manner of stereotypes regarding bureaucrats by doing some active, sensitive, (and) sympathetic listening.

Could we be seeing the beginnings of a trend?

And I agree. We are seeing the beginning of a trend.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Mr. Speaker, too often we have heard the false accusation by the press that the NDP governments are good at creating social programs but they don't have an economic plan. I want to say, Mr. Speaker, nothing could be further from the truth. To the contrary. To the contrary, Mr. Speaker. Tory governments across this country have been a disaster both provincially and federally.

This government, I want to say, Mr. Speaker, has a plan. A plan for fiscal management, the creation of wealth and jobs, and also to provide a quality of life for its citizens. And I say, Mr. Speaker, this government will succeed and will succeed with the outstanding cooperation of the people of Saskatchewan.

Saskatchewan people are too proud, Mr. Speaker, to continue to be regarded as a have-not province. They will, in conjunction and in cooperation with this

government, lift this province from the ashes of near bankruptcy to take its proud place among the provinces of Canada. Saskatchewan people deserve no less; Saskatchewan people will get no less. This budget leads to the road of rebuilding Saskatchewan and I say, Mr. Speaker, we shall succeed.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Mr. Speaker, yesterday the Minister of Finance of the newly elected Liberal government in Ottawa delivered its first budget. And I want to say that to be fair, four months to travel across this broad country and to converse with the various provinces, business community, labour, is a mammoth task. And in fairness, I think the new Minister of Finance made a valiant attempt to converse with the provinces and with the interested parties across the country.

And so from that standpoint, I want to say that I recognize that it's a mammoth job. I can also say that I think that the climate of discussion has improved with the newly elected Liberal government. I think that the guarantee that transfer payments over the next five years will not be cut further is of assistance to the provinces. I think there has been some effort to address the deficit, although the long-term is not defined.

I want to say that the air base in Moose is intact for at least another year, which was good news to Moose Jaw and Saskatchewan. I think there was some sensitivity and no major, major tax increases. Having said that, Mr. Speaker, I still think that the federal government has to get its act together and order that the provinces can better plan for the future.

Specifically, I was concerned in respect to their decision to cut back on the UI (Unemployment Insurance) payments. I say that because over five years, the UI payments will be cut by \$5.5 billion. And that is not incorporated with the overall restructuring of social programs, including UI. As a consequence, many of the workers will get less benefits, have to work more hours and more weeks to qualify, and as a consequence less return.

Also in respect to the seniors, they have cut the income age tax credit and put it on to a means test. They reduced . . . starting at approximately \$26,000 when it starts to be cut and it's indicated that seniors will be hit quite substantially with the new income tax credit being changed.

So I say to you, Mr. Speaker, we've seen the face of the Liberal government in Ottawa, but I think we've only seen part of the face. Because lacking in the federal budget is any apparent overall plan for deficit reduction. Lacking in the federal budget is an over . . . lacking is the overhaul of the taxation system. Lacking in the budget, which they promised would be high priority, is an overall job creation program or plan. And lacking in this budget is any mention regarding agriculture, our primary industry.

(1645)

I want to say, Mr. Speaker, that the biggest problem with the federal budget is the uncertainty that it creates in this country and to the citizens. How can the provinces plan properly unless they know exactly what the federal government is going to do. Too much of what the federal government has to do has been left to be decided in the future, which can impact on the provinces substantially.

And I say, Mr. Speaker, what is needed is a national . . . a national plan is what is needed, a plan similar to what we have adopted here in Saskatchewan, a concrete four- or five-year plan to address both deficit and economic growth. That, Mr. Speaker, was lacking in the federal budget.

Mr. Speaker, in the budget that was presented here in Saskatchewan, it has shown the way for the rest of Canada, and what I urge the federal government to follow our leadership and let's not only rebuild Saskatchewan, but rebuild Canada.

Thank you.

**Some Hon. Members:** Hear, hear!

**Ms. Crofford:** — Thank you, Mr. Speaker. The topic I want to pursue today is largely trust and accountability and how it relates to the budget. When I was looking at newspaper articles on the budget, I wasn't so interested in what the pundits had to say, because I'm getting pretty good at predicting that, but what I was most interested in was the people-in-the-street interviews where people, who for the most part go about their daily lives, had an opinion on our budget.

What disturbed me most about their comments was a lack of trust in the budgeting process of government. And because I'm a member of the Standing Committee on Public Accounts and estimates and previously on Crown Corporations Committee, I want to talk about how this legislature works to ensure accountability, because accountability isn't left just to trust. There are a number of mechanisms in a properly functioning legislature that makes sure it happens.

The Public Accounts Committee, which is one of the main committees, is open to the public and the media, and if there's a good story, we can be sure that the media are going to report on it. During the last meeting of Public Accounts in January, we were reviewing the public auditor's report. His assessment of many of the departments and Crown corporations of government is published annually.

During that week the media were in and out, but there was very little coverage. Why? Because for one thing no one bothers reporting when things are going well. But also because there was no scandals. The media doesn't miss a scandal because they have a paper to fill. So no scandals equals no story. You don't have to believe us, the media will let you know.

And why should there be a lack of trust when the

auditor in his '91-92 annual report stated:

The Government moved from providing what the Financial Management (Review) Commission viewed as the weakest and least useful financial statements in Canada to providing one of the most useful financial statements issued by a senior government in Canada.

Can we trust the public auditor? I believe we can. The auditor was not appointed by our government, he's independent in his actions, he has his own staff, he has the authority to review the books of the province and pass judgement.

His job is to let us know whether the books are fair and honest and to give you, the taxpayer, peace of mind. And where there are issues and problems, he raises them. And if he doesn't mind me making light of him just for a moment, he sometimes reminds me a little of the count on *Sesame Street* because he likes to count everything. If he's not able to, he's the first to let both us and the media know about it. He is very, very thorough.

So who else is at these meetings when the auditor reports? Not only the public and the media as mentioned before. The committee on Public Accounts is chaired by the opposition. Members of the opposition are there, and the Liberal leader sits on this committee. The government does its part by providing full and timely reports; written responses to questions; ministers, officials, and whoever is needed to provide the answers.

So when the opposition or the Liberal leader suggest there is not ample opportunity for public scrutiny, I have to wonder why they would mislead people taking time to watch us at work.

A similar accountability committee exists for Crown corporations because the auditor also comments on Crown corporations. This is an all-party committee. These committees meet regularly. The public can come; any of you who are watching today can come, and the media are there. Any questions can be asked and witnesses are called. There's no attempt to hide any information.

So again, anybody who might try to suggest that there's no accountability is trying to mislead you, and I might even suspect them of having a political agenda.

And the final area of accountability is estimates, and we'll be coming up to that very shortly. This is a committee of the entire legislature that is televised. People can sit in the galleries or they can sit at home and watch on TV, as many good folks are doing today. In estimates, every department has to answer for its current-year budget. They answer questions from any member of the legislature. I don't know how you could be much more accountable than this.

And there are of course still issues to discuss: should

we record pension liabilities in the Consolidated Fund; are there better ways of valuing public assets. But all in all, we are quantum leaps ahead of two years ago when all systems were in shambles. We promised open, accountable government and we are delivering open and accountable government.

**Some Hon. Members:** Hear, hear!

**Ms. Crofford:** — When budgeting we always have choices to make, and in this context I want to talk for a moment about the federal budget. The Saskatchewan Liberal leader pronounced that the federal budget was a good budget. Why would that be? Well CFB (Canadian forces base) Moose Jaw is still there. That's good — so far. Taxes didn't go up except for seniors over 35,000. She says that's good. I'll give a little more information after; that's not quite the whole story. Whacking away at the poor and unemployed through UIC (Unemployment Insurance Commission) changes that will force them onto public assistance. She says that's good.

I wouldn't say that. You have to ask yourself, what value base whacks away at the poor and unemployed. In all of our budget changes we have had to act in such a way to protect the most vulnerable — not those who asked the most or spoke the loudest, but the most vulnerable.

She criticizes our government because we haven't cut enough, and this makes our budget a bad budget. We reduced spending two years in a row, and you all know how painful this has been — it was and it is. There was tax increases; there was cuts. She said it was bad that we didn't make enough cuts. I just want to quote from an article here, "The Year in Review", January 3, '93 *Leader-Post*:

If you are looking at the final numbers, they did not do the kind of expenditure cuts they could have done in my view.

So more cutting asked for. Using her own yardstick, Mr. Speaker, if our budget didn't cut enough, how does that jibe with Mr. Martin having a good budget? Where also does this fall in all the calls for balanced-budget legislation?

The financial houses say our government has been very effective in bringing down our deficit and meeting our financial plans. So we have calls for legislation, but no calls for reality. We are doing what she only talks about, and we are achieving our plan and delivering it.

And I think that I will recognize some new politics when people can bring themselves to give credit where credit is due.

When pressed, solutions fall within the realm of the mythical, magical wealth creation. And I seem to remember another leader that was like that. Well it didn't work, and we're still asking the same questions while our government works diligently getting us back out of the hole they dug us into.

What about the federal election promise of jobs, jobs, jobs? Right now there's uncertainty about funding for SED Systems in Saskatoon, a future-oriented, high-tech industry. There is uncertainty about the Saskatoon air base.

On February 21 in the legislature the Liberal leader here expressed concern about jobs. But as announced in the Liberal budget, federal Liberal budget, after two years of their job creation efforts they are projecting a drop of .3 per cent in the unemployment rate. That's a change from the current rate of 11.8 per cent, dropping to 10.8 per cent over two years.

And what about agriculture — still the key sector in Saskatchewan's economy. No mention in the federal budget, Mr. Speaker, except for a \$500,000 capital gains exemption that's under review and that farmers can only retrieve when they sell their farms.

**An Hon. Member:** — What does Lynda say about that?

**Ms. Crofford:** — I don't remember the Liberal leader saying anything about that point. Guess we'll have to wait to hear what happens there.

And finally, taxation. I want to revisit it because Chrétien vowed, no new taxes. Well this is one promise already broken. Seniors and workers will be paying more. Partially exempt is . . . It used to be partially exempt. Employer-paid life insurance premiums are now fully taxed. A senior earning 35,000 a year will pay 370 more in income tax. The \$100,000 capital gains exemption has been eliminated. Meal and entertainment tax deduction has gone from 80 per cent to 50 per cent. And Canadian companies with capital of more than 50 million can no longer claim small-business deduction. Total extra taxes — 1.44 billion a year.

Now we can argue that some of these are good taxes. I think some of them are and some of them are bad taxes. But at the end of the day, they are taxes. So unless the Liberals have a different meaning to no new taxes, I would have to call this a promise broken.

So as usual we have the old routine of saying one thing and doing another. And if the Liberal leader will forgive me one little, friendly dig, I'm sure she'll be on the phone offering Paul Martin and Jean Chrétien one idea a week that she never got around to sharing with us.

I just wanted to add at the end some of my own ideas on the debate of how to solve Canada's and the province's financial problems. First of all is the issue of third-party funding. Two-thirds of government's total budget goes to third parties — municipalities, schools, hospitals, universities, payments to individuals and farmers. This means that no matter how efficient we get or how much we cut, government only spends one-third of its budget directly.

And even if we were so efficient that we eliminated

the entire one-third, it wouldn't even pay off one year interest on the debt. So this is why third parties have to do their part. We can only achieve these savings in partnership. The community itself has direct control over two-thirds of the provincial budget. And it isn't just third parties that have to be part of this process.

I have some ideas for the new federal government but I'm not going to give them to them one a week, I'll just give them to them all at once and then they can use them right away.

At this point, Mr. Speaker, rather than get into this finishing topic, I'd like to move adjournment of debate and finish off my remarks tomorrow.

**Some Hon. Members:** Hear, hear!

Debate adjourned.

The Assembly adjourned at 4:58 p.m.