

EVENING SITTING

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE
(BUDGET DEBATE)

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Ms. MacKinnon that the Assembly resolve itself into the Committee of Finance.

Mr. Jess: — Thank you, Mr. Speaker. I rise tonight to make a few brief comments on the very positive message delivered in last Thursday's budget address, and to indicate that I will, at the conclusion of the budget debate, be voting in favour of its acceptance.

As I sat in my place in this legislature and listened to our Minister of Finance deliver the 1996 budget, I was filled with a feeling of confidence in our minister and ultimately a sense of confidence in our entire approach as government to the responsible management of this province's business; a province that has been and continues to be managed in a businesslike manner, businesslike as only the CCF (Co-operative Commonwealth Federation) and NDP (New Democratic Party) governments of this province have managed our affairs.

The present government, of which I am a member, realizes that in order to manage the province's business with compassion and consideration for all, we, like the Blakeney, the Lloyd, and Douglas governments before us, know that the poorest in our society suffer the most when governments are not responsible. I have to admire our minister and her ability to set the path of renewal, a process that quite frankly appeared impossible some four short years ago.

As Sir Winston Churchill said, referring to the fighter pilots during the Second World War: never have so many owed so much to so few. Well never have a people owed so few so much as the people of Saskatchewan owed when finally we were released from the Devine reign of terror.

Some Hon. Members: Hear, hear!

Mr. Jess: — What we owed was a massive Tory debt. Fortunately what we owe the present Minister of Finance is a debt of gratitude.

Some Hon. Members: Hear, hear!

Mr. Jess: — Gratitude for having the foresight to manage the province's purse properly so that once again Saskatchewan people can afford to dream of better days ahead.

When I look across at the remaining entrails of the former Tory government I am just amazed — while they themselves even refer to themselves as the new Conservatives, as in not wanting to be associated in any way with the old Conservatives. An

attitude that you cannot blame them for — amazed that they want to be seen in public after what the Tory government did to this province.

People of today and future generations, long after we are gone from the political scene, Saskatchewan people will pay the price for ever letting down their guard to the point of where this province was cursed by a Conservative government. Or as the columnist Mr. Dale Eisler so appropriately put it in the March 30 issue of the *Star-Phoenix*, and I quote:

the almost childish political and economic naiveté in the Grant Devine years,

Mr. Eisler points out in the same article the fact that:

... 10 years ago the Conservative government ... (brought) in a budget that ended up with an operating deficit of \$1.2 billion.

For that year alone — 1.2 billion in 1986, which clearly points out the difference in a government's ability to manage.

That year was just one of the budgets that created the almost impossible situation. And do the so-called new Conservatives show any remorse? No. The third party sits opposite, gleefully proposing that the people of Saskatchewan should give them a chance to once again turn loose the wrecking crew. Well history shows that they may some day get that chance because, as the old-timers are so quick to point out, people don't learn by history. Each generation, it would appear, has to have one Tory government so they can learn the error of electing a Conservative government themselves. Fortunately, it will likely be many years before Saskatchewan people will forget the complete incompetence of such a regime. However, 1986 wasn't the only example of their misconduct.

They averaged approximately a billion dollars per year in deficit financing from 1982 to 1991. Such a contrast: capable, responsible, businesslike approach to government by the present Minister of Finance and our government today, compared to nine and a half years of what could better be described as the Devine demolition derby — demolition on a grand scale by Tory governments, both provincially and federally.

In spite of that burden, our minister has been able to bring a sense of logic to the Saskatchewan financial picture. Her success at bringing an end to the deficit was rewarded last June with the largest second-term majority of any government in provincial history. The successful management of a tough financial situation by our government and by our Premier and our Minister of Finance is admired by financial people and politicians in other jurisdictions throughout North America.

This year we are faced with major cuts in equalization payments, cuts that are truly justified because Saskatchewan's economy is doing so much better than previously compared to other provinces. Yes, some of these cuts are justified but none the less they have to be back-filled with provincial dollars. As

has been indicated in the budget speech, in order to continue to provide balanced budgets from now to the new century, we will have to offload to other levels of government some of the offloading that we received from the federal government.

This is where our government differs from the federal Liberals' approach of slash and burn. Our government is going to back-fill in health, social programs, and education, to maintain the programs that Saskatchewan people indicated to us must not be lost in spite of what the Liberals in Ottawa have done to us. A Liberal is a Liberal is a Liberal, regardless of whether they are in Ottawa or right here in Regina as the official opposition.

I would like to take this opportunity to extend to the official opposition, my sincere thanks on behalf of Saskatchewan people everywhere, for clarifying a very major concern that has been evident for many years.

I, of course, am referring to the confusion of just whether the Liberal Party was somewhere close to the centre in the political field or far over to the right wing. Or perhaps it would be more accurately described as the wrong wing of the Reform approach.

After purging the only member of their caucus that appeared to at any time have a social conscience, it is very clear what remains. And what remains is one more conservative party on the far right.

Some Hon. Members: Hear, hear!

Mr. Jess: — For cleaning up this very important matter, I sincerely thank you.

There will be some job loss as the new budget is implemented. These cuts are also consistent with what the citizens of the province tell us about less government. When anyone loses his or her job, it is a major concern.

However, with the early retirement provisions and the opportunity to transfer within departments, the negative impact is kept to a minimum. The level of service to Saskatchewan people can be maintained at a level that will permit our province to continue to be the best place in the world to live, as has been indicated by the United Nations.

Saskatchewan taxpayers continue to contribute the highest per capita investment in agriculture of any province in Canada. As the minister points out, we will invest up to \$238 million over the next four years to diversify and strengthen agriculture. That is an investment of nearly one-quarter of a billion dollars in the Agriculture Development Fund, the agri-food equity fund, the federal-provincial agri-food innovations fund, and marketing research and technology.

If our agricultural industry is to thrive in the future, it also needs a reliable transportation system to get products to market. This budget responds to the loss of the federal Crow benefit and the resulting demands on our highway system by providing \$125 million to upgrade and maintain highway routes in Saskatchewan. We will also ensure that the federal government

transition funding is urged to upgrade our vital road network.

Mr. Speaker, farming is an occupation with many risks. Our farm families need security of income. We will help provide that security by working with farmers to redesign crop insurance while striving to achieve an effective and an affordable program. The Minister of Agriculture and Food, after consulting with farmers, will provide details to a new and better crop insurance program for farm families.

Saskatchewan people were pleased to hear that this budget contains no tax increases.

Some Hon. Members: Hear, hear!

Mr. Jess: — And a promise kept.

This government will also keep its commitment to cut taxes by continuing the decrease in the debt reduction surtax announced last year. Fairness was the main reason for choosing this particular reduction. While it provides tax relief for all Saskatchewan taxpayers, it eliminates income tax entirely for more than 6,000 low income earners. And all taxpayers will benefit by this tax reduction.

This tax cut will put up to \$150 into the pockets of individuals; up to \$300 in the budgets of two-income families; and inject 55 million per year into the Saskatchewan economy. This budget provides 11 million of new provincial funding to replace the 1996-97 federal cuts to health, post-secondary education, and social services. It back-fills 100 per cent of the federal cuts to health; it back-fills 100 per cent of the federal cuts to social services; and it back-fills 100 per cent of the federal cuts to the operating funding of universities and federated colleges.

Recently the Government of Saskatchewan sold a significant portion of its ownership in Cameco Corporation, the world's largest uranium company. The net proceeds from the sale of Cameco shares will be used exclusively to pay down debt and reduce interest costs for Saskatchewan people.

As a result of this and other measures, the annual interest cost on government proposed debt will be \$100 million per year less in 1999-2000 than it is this year.

Mr. Speaker, as our Finance minister indicated, by the year 2000 the province's debt will be 2.4 billion lower than it was in 1994. This reduction will bring the total debt load from 68 per cent of the province's gross domestic product down to 44 per cent over the same period.

Some Hon. Members: Hear, hear!

(1915)

Mr. Jess: — This is an outstanding improvement in our overall financial stability. In conclusion, Mr. Speaker, as the Minister of Finance indicated, we have shown with this budget that government can lead the way.

In 1996-97 budget, it builds on our successes of the past as it

charts a course to prosperity and security for Saskatchewan people in the 21st century. Mr. Speaker, at the conclusion of this debate, I will be proud to stand in my place and vote in support of the motion and by so doing be part of the progress for all Saskatchewan people created by this government, a government that truly believes in providing sound financial management and believes in humanity first.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. Mr. Speaker, I am pleased to stand here today, tonight, and speak in support of this budget. I say that in the same way as I said that I was pleased to stand and speak in support of the throne speech because, Mr. Speaker, there is no doubt in my mind — and I believe in the minds of the vast majority of Saskatchewan people — that that throne speech and this budget set the right priorities, prepare this province for the future, and provide more and more hope for our young people and our families and generations to come.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Speaker, that didn't happen by accident. That happened by this government, the Minister of Finance, the executive members. . . the members of Executive Council, all of the New Democratic members of this Legislative Assembly, taking a lot of time and putting in a lot of hours, talking to a lot of people in Saskatchewan, and listening to what they had to say.

And the result of that, Mr. Speaker, is that we have here today in this debate, a budget that not only looks after the needs of today, but a budget which also looks to tomorrow and beyond, as all budgets must.

If there is any one thing that can be said about budgets in the past under the former Conservative administration and the administration in Ottawa which happens to be a Liberal one, is that there is too much consideration of the politics of today and not enough consideration of the future, of tomorrow, and the kind of future that the people of this country and the people of this province are going to have.

I'm proud to say, Mr. Speaker, to you, that in my constituency, everyone of my constituents was able to have an opportunity to look at the options that were before the government and had an opportunity to respond to those options before this budget was finalized. And many of them took that opportunity and responded, both by telephone and by letter and by card. So, Mr. Speaker, I feel comfortable standing here tonight, knowing that this budget reflects the responses that were sent in to that request to my constituents to have an input.

And maybe that's why, as we listen to the debate back and forth here, we find that the opposition has not been able to mount a credible argument so far in this budget debate. In fact, Mr. Speaker, to my, I don't know whether it could be called amusement or surprise or amazement, even the Tories have grudgingly admitted that the budget goes in the right direction.

I'm reminded of something about being on the road to Damascus and being struck by something. Well, Mr. Speaker, if only they had known the damage and the harm and the destruction that they were causing in the 1980s when they were in the government. If only they had this view that somehow seems to come from their mouths when they respond to the budget, but does not go any further, than that in the 1980s when they created one of the greatest travesties on this province that any government in the history of this province has ever created.

Now I know . . . I hear the Tory Leader of the Third Party say that that's an old story. Well, Mr. Speaker, I want to say this about that. It's not an old story nor is it going to be an old story as long as there are 700 to 800 million in interest dollars that the taxpayers of this province are going to have to ship out every year out of this province because of the debt that was created under that administration.

It's not an old story and will not be an old story as long as this debt hangs over the heads of the people of this province and our children and their children into the future. And it's not going to be an old story as long as the people who witnessed what was happening in the 1980s live and breathe in the province of Saskatchewan, because they will remember and they will tell their children that story. And if they think that they were out of office for a long time before 1982, Mr. Speaker, I can assure you that the people of Saskatchewan will make sure that they're not back very soon in the future either.

What happened then, Mr. Speaker. We had a government in the 1980s that took this province from essentially being debt free on the consolidated side — debt free — and created a debt which . . . a situation where we had the highest per capita deficit in Canada and we had a debt of almost \$15 billion. They can't deny that and they can't separate themselves from that, Mr. Speaker, in spite of their pleadings and in spite of their talk of an old story.

Now the Tories might show up for question period, Mr. Speaker, and do a little grandstanding, but the public can, and does, see through it; short-term politics. And I say to them, short term-politics is fine, but if they continue on the path that they are going right now, they have no room to grow. And they may be ahead of the Liberals in the province of Saskatchewan, and I believe they are, but it's not so much because of what they are doing, but I think it's rather probably more of the fact that the official opposition has been so inept in their performance so far.

Now, Mr. Speaker, let me talk about the Liberal official opposition, because when I spoke in the throne speech I said that probably after that I would not be quite as kind. Now, what do the Liberals say in this House? And to some degree the Tories are with them. Well we've heard them say we should reduce taxes. Well isn't that nice. Who would not want taxes reduced?

Now if they would stop there, Mr. Speaker, they might be credible. But I sit here in question period every day and I hear the questions. I listen to the speeches, and those that I miss I read in *Hansard*, and what do I hear, Mr. Speaker, and what do

I read? I hear things like, don't deal with the duplication and overlap between ACS (Agricultural Credit Corporation of Saskatchewan) and the Farm Credit Corporation; continue the old system. Let's have two of them. Let's waste taxpayers' dollars. I hear them saying, don't make crop insurance more efficient so it can be of better service to the farmers of this province. I hear them saying, don't reorganize and make government more efficient; leave things just as they are.

And of course they always have their favourite places in which they would like to spend more money: one day it's on health care; another day it's on education; another day it's on somebody's favourite highway. But it's always spend more money, Mr. Speaker, spend more money and reduce taxes. Now come on. How incredible can any political party sound . . . how more incredible can any political party sound than that?

Day after day the member from Arm River has been getting up in this House, Mr. Speaker, and talking about farmers shouldn't repay their overpayment on the GRIP (gross revenue insurance program). I've never heard him say that people on unemployment insurance shouldn't have to repay the overpayment, or people on social assistance, but it's spending more money. Fair is fair, Mr. Speaker, and everybody has to be treated fairly in our system of government, and that's what this budget does for the people of Saskatchewan. Considering the circumstances and the resources that this government has to work with, the people of Saskatchewan are being treated fairly and they appreciate it.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, nobody, no taxpayer, no voter, no citizen, likes a double standard. But I hear every day in this House, from the Liberals and the Conservatives, talk of a double standard. And I'm amazed. I remember once in 1982 when I suffered from a certain kind of retirement at the express wishes of my electorate — just fair; that's democracy — I remember hearing speeches from somebody called Grant Devine. And guess what he was saying? He was saying spend more money and cut taxes. Well isn't it interesting. We now have a Conservative Party that sounds like the Reformers and a Liberal Party that sounds like the Grant Devine Conservatives.

Now I tell you, Mr. Speaker, I just say to the members opposite, they have got to realize that they can't be all over the map and they can't be inconsistent. And they can't say that you've got to spend more, and then you got to cut taxes, and you got to balance the budget, and you got to repay the debt. That is not credible. And you know, Mr. Speaker, the reason why the Tories may probably be ahead of the Liberals is because the people of Saskatchewan believe that that's not credible.

Now, Mr. Speaker, I heard the member from Melfort talk about vision. I heard the member from Melfort talk about the lack of vision in the budget. And he read some letters, which is fair. I thought that's what we as MLAs (Member of the Legislative Assembly) are supposed to do. We should pay attention to what people tell us and write to us. And I listened carefully because I thought he was articulating what he had to say very well.

But what I could not hear him saying, Mr. Speaker, ever in his speech, is what his vision was. And I did not hear the Finance critic in his short address to this House say what his vision was. They were critical. They wanted more taxes, and they wanted more expenditures, and they wanted the vision. But when they stand up in this House with an opportunity to express that vision, it does not come forth.

Why, Mr. Speaker? Because as the member from Wascana said this afternoon, the vision is clear. The Liberal government in Ottawa has shown the vision of the Liberal Party.

An Hon. Member: — Nightmare.

Mr. Tchorzewski: — One only has to look at what is happening in Ottawa. As my colleague says, it's not really a vision; it's probably more like a nightmare.

Now, Mr. Speaker, what is the vision of the Liberal Party? The vision of the Liberal Party, something they don't want to talk about, is arbitrarily cut funding to health care, social services, and education, without having any idea what is going to come out at the other end, but just simply cut and slash. That's, Mr. Speaker, the Liberal vision.

And so is it any wonder, is it any wonder that when members opposite stand up, they're not prepared to talk about it? I'll tell you, if that was the vision that I believed in, with my colleagues, I wouldn't want to talk about it either.

Mr. Speaker, we know what the Liberal vision is. The people of Saskatchewan are seeing it from Ottawa every day, and that's why we see the Liberal Party over there being in the kind of state that it is.

Now, Mr. Speaker, what about the budget, and what kind of response has it got . . .

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

Mr. Van Mulligen: — Mr. Speaker, to ask for leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Van Mulligen: — Thank you, Mr. Speaker, and thank you to my colleagues.

Mr. Speaker, I wish to introduce to you and through you to the members a group of young people that are seated in your gallery. They're ages 8 to 11 and they're members of the Regina 33rd Cub Pack. They're accompanied here this evening by their chaperons, Malcolm Lafave, Darla Letourneau, Ray Sali, and Herb Gillies.

In welcoming this group here this evening, I also ask members to recognize the volunteer time that many adults put into the Scout movement and the Cub movement to teach our young people good citizenship skills and about service to others.

Thank you very much, Mr. Speaker.

Hon. Members: Hear, hear!

(1930)

SPECIAL ORDER

ADJOURNED DEBATES

**MOTION FOR COMMITTEE OF FINANCE
(BUDGET DEBATE)
(continued)**

Mr. Tchorzewski: — Thank you, Mr. Chairman, and may I extend my greetings to our visitors here in the gallery as well.

Now, Mr. Speaker, as I was about to say, what are others saying about the budget? Because if only us were to say that . . . if only we were to say that it was a good budget, I suppose it would be fair to say that nobody else thinks so.

I'll give you one example, Mr. Speaker. I'm looking at the editorial of the *Leader-Post*, which I do not quote that often, in which it is said that the budget makes significant progress in improving the province's finances, and not only are balanced budgets projected for the next four years but money will also be put aside to pay down the province's debt by \$2 billion by the year 2000.

Now, Mr. Speaker, if taxes were reduced in a big way like the members wanted right now, while expenditures are increased, this couldn't happen. This couldn't happen. Our debt would stay high as it is, interest being paid out, \$800 million a year, and we would have continually this monster hanging over our heads and the heads of future generations because we will not have dealt with it.

I would not be prepared to be part of that kind of a decision, Mr. Speaker. It may be good enough for members of the opposition; it's not good enough for this government. Because this debt has got to be dealt with and this debt will be dealt with to the tune of a reduction by \$2 billion by the year 2000. And that, Mr. Speaker, will provide \$100 million a year each and every year in additional money that the province can have because it'll save that much or even more in interest charges.

That's how you run good government, Mr. Speaker. You don't come into this legislature and try to be everything to everybody. People don't expect that. People expect governments and people expect even opposition parties to have some sense of what is good public policy, not what is expedient. And they see through it, and they have always seen through it, and they'll see through it four years from now unless the members opposite change their views.

And then, Mr. Speaker, this editorial concludes by saying that:

Since its election in 1991, the NDP government has done a credible job of managing the province's finances. That tradition continues with Thursday's budget.

Just imagine. Just imagine, Mr. Speaker. Just imagine, Mr. Speaker, if the government of the 1980s had thought about that and what kind of position this province would be in today. Just imagine. No \$800 million a year in interest charges. We could do all kinds of things. We could reduce taxes, and we could even make up more of what the federal government has hacked away from health care and education and social services. But we can't because nobody in the government of that day was prepared to make those kinds of decisions.

Now I heard pleading for forgiveness from the Liberal members opposite because they had voted Conservative in 1982 and in 1986. Now isn't that interesting, Mr. Speaker, pleading for forgiveness. They had made a mistake. Well isn't that interesting that they say in the House they made mistake. But when you listen to what they say, they sound exactly like that Conservative government that was elected in 1982 — exactly like them, the same speeches. You know, Mr. Speaker, if you put a shroud over their faces when they rose, you would almost say that the ghost of Grant Devine was speaking in the House.

Mr. Speaker, credibility is what people want from their politicians. In this budget, Mr. Speaker, I am supporting it as my colleagues are because Saskatchewan people can look forward to the 21st century with a sense of confidence and security.

Confidence because their future promises more jobs, a balanced budget, reduced taxes, and a declining public debt. Security because these cornerstones of our quality of life — our education; our health; and our social programs — will be there for them, their children, and their grandchildren in spite of the actions of the federal Liberal government.

Mr. Speaker, there is a vision. There is a vision about the need to change our social programs and our social security programs so that they meet the needs of today, and the year 2000, and do not continue to make people dependent — and the old system does that. There is a vision because we are reforming our health care system to be in tune with the new technologies, and the new demographics of this province, and the needs of today. That's a vision, Mr. Speaker.

There is a vision because this government is being reorganized so it can be the most efficient government in Canada, as it is. And there is a vision because it provides a financial plan which brings increased hope for the future instead of the despair that we saw in the 1980s and the despair that we're seeing propagated by federal Liberals in Ottawa.

Mr. Speaker, opposite members in this debate have dug in. Members opposite, Mr. Speaker — as the intellectual from Shaunavon points out — members opposite have dug in. Mr. Speaker, they have dug in, in the past. They have dug in, in the past. They have spoken against change, every one of them when they get up in this House. Because when you ask them, well what would you like to see done, they're not able to tell you.

Mr. Speaker, building prosperity and creating jobs are important, and this budget addresses that very important issue.

And so, Mr. Speaker, I would be surprised, except for maybe political reasons, that the members of the opposite would vote against the budget . . . members opposite. As a matter of fact, listening to the Conservative leader the day of the budget on television, I thought he was ready to vote for it that day. But we'll see.

We'll see whether partisan politics and expediency — or thought to be expediency — overrules what is the right thing to do. And the right thing to do, Mr. Speaker, is to manage the finances of the province well, protect our core services of health, education, and social services, so that the people of this province know that they are secure. And under this New Democratic Party government, they see tangible evidence that they are secure.

Mr. Speaker, we'll see whether the members opposite believe that or whether they will spend the rest of this session defending their brothers and sisters in Ottawa, which they have been doing. I sit here in some amazement because I can't really understand whether these people forgot that they were running in a provincial election and not a federal election, because they speak like Members of Parliament instead of like members of the Saskatchewan legislature.

Mr. Speaker, in conclusion I want to say this. In 1991 this province and the people of this province elected a new government. It could have been any government, but it was this New Democratic Party government. And in 1991 we had an independent commission tell us and the people of Saskatchewan what challenges we had to face on the financial scene, and it was not a good story.

It was a horrendous story. And this government went to work, and the people made sacrifices and understood what had to be done. And in the true tradition of Saskatchewan, together we have turned this province around from one with the highest per capita debt in Canada to a first province in this decade to have a balanced budget.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And we did it, Mr. Speaker, while we at the same time protected those core services which are so important to the security of our people — health, education, and social services.

And, Mr. Speaker, we didn't do it the Ontario way, the Ontario Conservative way. We didn't do it the Jack Klein way in Alberta — now there's an example of no vision. We didn't do it the Liberal way in Ottawa. We did it the Saskatchewan way, Mr. Speaker. We did it the NDP way, which showed good judgement, tough decisions with compassion, and that's why, Mr. Speaker, the people of Saskatchewan, and all of those who have commented on this budget, are saying it's a good budget. It's the right budget for this time, Mr. Speaker, and that's why I'm prepared to stand here and say I am going to support this budget wholeheartedly.

Some Hon. Members: Hear, hear!

Mr. Thomson: — Thank you, Mr. Speaker. I am also pleased to join in this budget debate tonight and to follow my colleague, the member for Regina Dewdney, who spoke so eloquently tonight about our priorities and in particular our commitment to health, education, and social services.

I obviously share many of the same sentiments that the member for Dewdney expressed, particularly in our ability to come forward and recognize the importance of these particular issues in areas where the federal government seems more than prepared to abandon the poor, more than prepared to abandon the ill, more than prepared to abandon the children in our society. But tonight I don't want to talk so much about the social programs. Rather I want to talk about some of the things the folks in Regina South have been talking about over the last several months.

In getting ready to work on the budget and to take a look at what the government was proposing, I went out and did some consultations in the riding and asked people what they thought their priorities . . . what our priorities should be. They said very simply they thought there were five key areas that we needed to focus in on. They said that we needed to get the debt under control. They said that we needed to hold the line on taxes. They said that we had to do something to ensure that the federal government's plan for downsizing social programs did not proceed. They said we must do something to ensure there's job growth in our province, and finally they said they wanted smaller government.

Well, Mr. Speaker, on those five areas, in each of those five areas, this budget meets the mark and meets the expectations of the people in Regina South.

Let me talk just a second about the debt situation. We have seen and we have talked about and we have heard many times about the problems of this province's debt. We know that today that that debt was approximately 68 per cent of our GDP (gross domestic product). Under the plan presented by the Minister of Finance, by the year 2000 that will be reduced to 44 per cent. A remarkable decrease considering the horrible financial atrocities committed on this province's books by the Conservative opposition when they were in the government benches.

This is a very positive step forward and something that all members should be embracing. It's easy for the Liberal opposition to sit across the aisle and say, oh well, we'd do it differently; oh well we'd be reducing the debt even quicker. And yet when you listen to their speeches what is it they propose? Oh, well they'd be cutting taxes more quickly, but they'd be spending more. Well if you're cutting your revenue and you're spending more money, you end up with a kind of mess that these folks put us in across the way.

What we have here today is a four-year plan, not only for a balanced budget but balanced priorities, and I think that that is something that the members opposite, particularly the Liberal members, should be paying attention to.

Let me take a look at the issue of taxes. Now the members opposite say, oh hurry up, you're not doing enough on taxes.

They say, oh you're not reducing taxes quick enough; you're a high tax regime. Well let's take a look at what their tax plan is.

We have, sitting across from us, the see-no-evil, hear-no-evil, speak-no-evil Liberals, when it comes to their federal counterparts. I mean obviously their red book, give or take a little bit of white-out, is the same as the federal Liberals' red book. So we can assume that they are just every bit as committed to tax reform the way the feds were, a tax reform that said GST (goods & services tax) would be abolished in the red book. But what has happened? Nothing. In fact if anything, they're back working on Brian Mulroney and Grant Devine's plan of harmonization.

So we can guess then from that, we can assume from that then, that what we're looking at is a Liberal plan that would harmonize the GST with the provincial E&H (education and health) tax. Well then this is tax reform for you. What they're talking about then is really increasing taxes, putting taxes on children's clothing. What they'd be talking about is putting taxes on restaurant meals again. After four years, we have just now seen the restaurant industry climb back out of the hole Grant Devine and that Conservative caucus put it into.

We also see then under this great plan of harmonization that the federal and provincial Liberals support, the idea of putting taxes onto the service sector. They'd put it back on used goods. They'd put it onto electricity, put it onto telephone services, put it on natural gas. Well we listened to the members opposite give some sort of a statement; couldn't figure out whether they were supporting or opposing our plan for natural gas today, but we know where they stand. They are in full support of putting that GST back onto all of these services through harmonization.

(1945)

The fact that they have said nothing to the contrary would lead us to believe that all they are being is politically expedient by remaining silent, a shameful approach in this Assembly. But it seems to make no difference to them. While they're prepared to accuse us of not moving quickly enough to lower taxes, even though we have held the line, even though we've reduced the surtaxes, they are prepared to support a plan of harmonization.

That's the Liberals' plan. It's not a plan to cut taxes; it's a plan to increase taxes. It's a plan to increase taxes that will in particular hurt specific sectors of our industry. Our government does not support that approach. That's why in 1991 we removed the harmonization, and that is why through our plan of targeted tax reductions this province's economy continues to grow.

But let's take a look at what our friends in the Conservative opposition say. Well of course they support harmonization, always have. But not the way Grant Devine did, no, no, no, no, no because they're not really Grant Devine's Tories. Oh sure, they might have run on the same platform. Sure they might have even supported him for leader at one point. Granted they were all very supportive of him when he was here, but they're not quite the same. The Leader of the Opposition continues to tell us, oh no, it wasn't me; I didn't do it, he says. A bit like

Bart Simpson I'm afraid over there, in more ways than one, in more ways than one. I didn't do it, he says.

Today he actually has the audacity to move a motion, an amendment to the motion before us today, concerning MLA pay, and he comes forward and says, oh, this is a rip-off; you're ripping off the taxpayers. Yet I don't notice the Leader of the Third Party turning back a single cent that he collects as Leader of the Third Party — not a dime — \$20,000 that he pockets this year as being Leader of the Third Party and where is it? In his pocket.

We've got his whip, \$4,000 a year for marshalling the massive forces of the Conservative Party — \$4,000 a year to look after . . . that's almost \$1,000 a head to keep them in line. But he doesn't stop there, no, no. The stellar row of that third party opposition needs another \$60,000 in research grants; it needs another 25,000 during the session for research. It needs 36,000 to pay its secretaries, and it needs \$73,000 to run the leader's office — \$218,000 — and if you turn that back today, and I say to the members opposite, turn it back today . . . (inaudible interjection) . . . no, no, now turn it back . . .

The Speaker: — Order, order, order. Now I understand that all members have great enthusiasm for involving themselves in debate and will be given a full opportunity to do that. I would like to caution the hon. member for Regina South to direct his debate through the Speaker and not directly to other members and I'll ask all members to give him their full attention.

Mr. Thomson: — Thank you, Mr. Speaker. I want to say to you, as you know, under our system, this third party is pocketing \$218,000 this year for what — for being a rump in the legislature. For being simply five members, the Leader of the Conservative Party collects \$20,000 today, \$20,000.

Well let's say the Leader of the Opposition gets a change of heart and decides to give it back. At the end of this term they will have simply returned to the province the \$800,000 that went missing when they were in these benches. Here's your chance for restitution, I say to the member opposite. Here's your chance to pay back the people. Give up the perks. Give up all of the extra pay. Come clean. Here's your chance to . . .

The Speaker: — Order, order. Order. Now I do want to remind the hon. member for Regina South, and he knows what I'm going to say, to . . . Order. Now the Speaker is not . . . Order. The Speaker is not seeking advice. Order. The Speaker is confident that if he should ever seek advice there'll be a large number of people willing to offer it, but this isn't one of those times.

Mr. Thomson: — Thank you, Mr. Speaker. My apologies. I use the issue simply to illustrate the priorities that we see coming from the third party in their approach to this budget speech. We see them on the one hand say oh, the biggest issue of the day is how the MLAs get paid. Well except it's only part of the way. They don't want to talk about the real issues here. They don't want to talk about their priorities when it comes to their pocketbooks. They don't want to make real restitution, they simply want to piggyback on some of these other higher

profile issues in terms of gaining credibility. And I think that's shameful.

We also see them, in terms of their priorities, talk about us needing to reduce the E&H tax. They say we're not moving quick enough on this; they say we're not moving fast enough to reduce the sales tax which they claim is causing great problems in our retail sector. Hard to believe, considering our retail sector is growing so quickly.

But let's assume they're right. Let's assume the E&H does need to come down. We would be able to eliminate the E&H tax today if it had not been for the debt that that Tory opposition built up when they were in government. Completely eliminated. On par with Alberta. On par with Alberta if they had not built up that \$14 billion worth of debt. Because that's essentially what that E&H tax brings in today, is enough to cover the interest payments alone.

Now, Mr. Speaker, we all know that this is a difficult situation. Even though we didn't accumulate the debt, it's our responsibility to manage it and to help bring it down. And that is in fact the very plan that the Minister of Finance has presented in this Assembly — a four-year plan that is reasonable, that is fair, that is balanced. And it is a plan which merits not only our attention but our support.

It is balanced because it provides a long-term vision to reduce \$2.4 billion in debt and bring down those interest payments by \$100 million a year. It's a plan which commits almost \$900 million this year to job creation through investments — through the Ag equity fund; investments in high technology at the universities; investments in agriculture and highways; and \$630 million in infrastructure.

But in addition to that, we're going further. We recognize that trade and export are important to our economy and are going to be part of the engines of growth. As such, we're providing funding to create the trade and export corporation. The minister has said that she's preparing to cut the red tape; she's providing money for student jobs. On the whole, through the targeted tax breaks of this government over the past four years and the targeted tax breaks over the next four years, we know there'll be growth.

Let me use an example from my riding alone. In my riding since the election, just since the election, we have seen 12 new small businesses open — a dozen of them. And although the Liberal members opposite will tell us of course there's no job growth, guess what? There are people employed in those businesses. Guess how many — 105; 105 new jobs in the community of Regina South alone since the election. Since the election. That's how we are building on this economy because it is small business that's the engine of growth.

Well we don't need to build up the bloated bureaucracies that the Tories did. And it's been so long since we've seen what Liberals do, we can only assume it won't be much different than the Tories.

This plan that we're presenting is a plan which is sensible; it is

a plan which is stable; it is a plan that will build Saskatchewan strengths. And in that regard, Mr. Speaker, I am very pleased to take my place and say that I will be supporting this budget.

Some Hon. Members: Hear, hear!

Ms. Draude: — Thank you, Mr. Speaker. It is an honour to join in this debate on the budget speech. I would like to begin by congratulating the Minister of Finance on once again introducing a budget that is all smoke and mirrors.

I would like to say a few words about the NDP approach to budgeting. They begin by telling the people of this province that we must prepare for the worst. They say we are going to cut funding in the areas that are so essential to the very fabric of Saskatchewan. They tell the health boards, the school boards, the universities, the technical institutions, and the people on social assistance that they are going to be hit hard with cuts. And then they tell the people, but don't blame us, it's the nasty federal government again. The federal government is cutting your health, your education, and your social program funding.

Mr. Speaker, the NDP members did a great job once again of offloading the blame onto someone else. They just had the Tories before and now they use the federal government.

We went through an election last June listening to them make promises to the voters of Saskatchewan that they knew they would never be able to keep. The people of Saskatchewan put their trust in these NDP members and their promises. Unfortunately, all the people received were broken promises after broken promises. They said, we have to break our promises because the federal government is cutting our funding. Mr. Speaker, the provincial government knew of these cuts long before they started campaigning but it never became an issue until after the election results were in.

After the election was over they spent the next six months telling the people of this province about the upcoming budget and how it was going to hit them very hard. Cabinet members went on TV to tell the people of Saskatchewan to prepare for the worst. Even the Premier held a \$30,000 infomercial to tell the people of Saskatchewan what he wanted them to believe. Obviously, Mr. Speaker, the people of Saskatchewan were living in fear, wondering what this government was going to do to them next.

Then on March 28 the Minister of Finance stands up and says, don't worry, folks; we've found some money and we'll put some of these problems off for another year. We'll take a little bit off the top of our Crown sector and indirectly raise taxes by \$100 million. And then the minister had the nerve to say, we've done what the people told us to do.

Mr. Speaker, I find it very hard to believe that the people told the Minister of Finance to slash the Department of Agriculture and Food by \$50 million. I really doubt that the people said, cut funding to municipalities by \$20 million. And I sincerely doubt the people said, cut funding for post-secondary education by \$10 million over the next three years.

Mr. Speaker, what is truly frightening is that this government has actually convinced themselves that they do listen to the people when in fact they simply just dictate. If they had really listened to the people, the budget would have been one of tax decreases. It would have been a budget where things like the Crown Tendering Agreement was openly discussed.

Mr. Speaker, in my wildest imagination I can't believe that people who have lost their hospitals, are threatened with school closures, RM (rural municipality) amalgamations, would have said, sure, spend an extra \$100 million on Crown tendering; we don't mind. We don't mind that our facilities are being closed left and right and that our way of life in rural Saskatchewan is being destroyed.

Mr. Speaker, I can't believe the people told this government that raises for political appointees were acceptable when social service recipients are just below the poverty level. Mr. Speaker, I don't believe that the four extra cabinet positions were asked for instead of additional health care benefits. And, Mr. Speaker, maybe I'm a little sceptical, but I believe if you had asked a farmer who is trying to find money to put a crop in, if he would rather have his GRIP payment that was supposed to have been cancelled, really cancelled, or maybe we should hire a bunch of deputy ministers and aides, I think he would have chosen to have his GRIP bill cancelled.

The approach this NDP government took was nothing short of immoral. They held a gun to the head of everyone, and then on budget day they decided we'll just shoot you in the foot instead and expect everyone to say thank you to the Minister of Finance. Mr. Speaker, this is indicative of the NDP politics.

I would like to take a minute to respond to the rather tasteless comments made by the member from Regina Victoria last week. This member claimed that the official opposition's strategy was just to simply criticize this government. Well, Mr. Speaker, I can assure you and the member from Regina Victoria that his NDP colleagues . . . and his colleagues, that criticizing this government's choices is more than a full-time job. There are not enough hours in the day to allow enough criticism in the direction that they have chosen to take this province.

The member from Regina Victoria spoke of job creation and the unemployment rate in Saskatchewan. Now, Mr. Speaker, I don't know if the NDP members even look at their own Bureau of Statistics reports or if they just take the Minister of Economic Development's word as gospel. If they did even take one quick glance at these monthly reports, they would clearly see that between February 1995 and February 1996, Saskatchewan lost 4,000 jobs. They would also see that the unemployment rate actually rose in that time. And if the member from Regina Victoria and his fellow NDP members can't see this or for some reason can't understand it, then I'll be quite happy to sit down and explain it to them.

Mr. Speaker, I would like to address the issue of political cousins. One of the NDP members opposite — and I believe it was the new Minister of Agriculture — said a Liberal is a Liberal is a Liberal. Mr. Speaker, I agree. Liberals are Liberals, and I believe that us Liberals, our number one priority is to

serve the people who've elected us.

(2000)

But, Mr. Speaker, I think the NDP members opposite should look two provinces to the West when they start speaking about political cousins. We haven't heard the members opposite saying too much about bingos or hydro companies. I guess it would be fair for them to say an NDP is an NDP is an NDP.

Mr. Speaker, I would like to say a few words about economic development in Saskatchewan. Saskatchewan is a province that is filled with opportunity for business people. It is a province that is rich in natural resources, rich in the land on which we farm, and above all Saskatchewan is a province that has the hardest working people in the world. We are fortunate to have a very entrepreneurial and very innovative people. The people of this province have a lot of great ideas and the ability to start up and run successful businesses in spite of some of these recent policies.

The problem, Mr. Speaker, is the business environment that has been created in this province by the current NDP and previous Tory government is deplorable. Businessmen and business women face stifling taxation, outrageous utility rates, oppressive labour legislation, and over-regulations.

And what has been the result? Nearly 2,300 businesses have gone bankrupt since they took power in 1991. Manitoba has experienced only 1,400 in the same time frame. Mr. Speaker, the solution to these problems is not a glossy document entitled *Partnership for Renewal*, and it is not even a glossy document entitled *Partnership for Growth*. The solution is less government involvement.

Businesses have said over and over again, they don't need the government to be involved in everything they do. As Abraham Lincoln said, in all that people can do individually well, for themselves, government ought not to interfere.

Mr. Speaker, it is time for the Minister of Economic Development to take a good, hard look at what he has done to the business community. It seems very easy for him to sit back and decide which businesses he wants to see prosper, and which businesses he prefers to see fail.

He's been mistaken from time to time, as was the case when he used Spar industries as an example of a thriving business in Swift Current. The next day they laid off 55 employees. The fact, is Mr. Speaker, it is not the Minister of Economic Development's job to decide who should be successful and who should not.

As economist Charles Schultze said, the one thing that most democratic political systems cannot do well at all, is to make critical choices among particular firms and municipalities and regions, determining cold-bloodedly which shall prosper and which should not.

The government can, and continuously does, adopt policies that have indirect consequences of harming, particularly individuals

or groups. But a cardinal principle of government is never to be seen to do direct harm. I think Charles Schultze summarizes our current NDP government and the Minister of Economic Development very well. He should be listening.

Mr. Speaker, the other day in the Assembly I asked the Minister of Finance if she knew what the Minister of Economic Development was saying in the *Partnership for Growth*. I guess bluntly I asked her if she knew if the left hand knew what the right hand was doing. The Minister of Economic Development talked about stimulating the economy and the Minister of Finance thinks it means laying off front-line workers, who put every cent they make back into the local economy. The Minister of Economic Development said, economic growth and ultimately job creation will depend largely on the private and cooperative sectors taking risks.

Businesses do take risks. That's what business is all about. That's what we do and that's what we've always done. We accept the challenges of competition, we accept market-place changes, and we can even accept the fact that consumer demand is sometimes fickle. But, Mr. Speaker, we cannot accept any more challenges, put more bluntly, roadblocks, from government.

Do you know what the changes to the labour regulations cost business people in the hospitality industry last year? Definitely not just the \$15 per year, per part-time employee, as indicated in the Price Water analysis that the government chose to believe over the business friends, if they have any business friends.

It was even more than the pittance offered to employers through the hire a student program. I know and the business people in this province know what the changes to these labour regulations cost, and I'm going to wait with bated breath to see if the government can come up with the right answer.

Mr. Speaker, if this budget was designed to help get this economy on its feet, not just wait for good luck to intercede, we would have seen some cuts in taxes — and I don't mean the lousy \$150 that they came up with for next year. This government would have listened to what people told them about cutting the PST (provincial sales tax) and that it would reduce the desire and the need of people to go across the border just to shop. Business people would have seen it as a positive step towards putting some spending responsibility back into the hands of the people of this province.

Let the people of this province decide how to spend the few shekels they have left over at the end of the month. Give the Saskatchewan people even half a chance to believe in themselves and we'll just see the spirit of Saskatchewan rise up again.

Mr. Speaker, for business people, do you know what this budget reminds me of? The plaque I've seen on people's wall that says: the beatings will continue until morale improves.

Mr. Speaker, we have seen this government create the Saskatchewan Opportunities Corporation, \$100 million to invest in the business community. The result: 1,100

applications and only 11 approvals. In addition to that they received \$3.2 million in taxpayers' money in grants in '95 and '96 — \$3.2 million to manage 11 investments.

That's not all. In a time when this NDP government is crying poor, they've allocated another \$1.1 million grants for SOCO (Saskatchewan Opportunities Corporation) for this budget year. Now they're up to 4.3 million. And as if that wasn't enough, they've even introduced a Bill asking for another \$100 million on top of the original \$100 million to set up research and development parks.

And this is at the same time we see the budget for small business loans association program cut from the 1.2 million to a measly \$550,000. I wouldn't put it past this NDP government to start charging some outrageous interest rates on these loans to further decimate the small-business community. After all, it's not a megaproject, so why does it matter.

Mr. Speaker, I would now like to speak about the NDP government's commitment to rural Saskatchewan. I guess I should say their lack of commitment to rural Saskatchewan. The rural residents of Saskatchewan continue to be extremely hard hit by the choices of this NDP government. What is the solution when we need to save a buck or two? Apparently the government's solution is to shut down numerous hospitals, Crop Insurance offices, highway depots, and break a promise not to collect GRIP overpayments.

Mr. Speaker, it seems that this government has absolutely no problem with decimating rural Saskatchewan. What completely saddens me is to see that the rural NDP MLAs just sit back and let it happen. I say to those members, stand up to your Premier, and stand up to your Minister of Finance, and stand up to the Minister of Economic Development. Look after your constituents, because without them you wouldn't be here. And if you continue on your current path, you won't be here in three years from now.

When this budget came down, there was absolutely no indication that revitalizing rural Saskatchewan was on the mind of the government. In fact the opposite was true. The cut-backs to programs affecting rural Saskatchewan was there and the need to stimulate hope for the future was not there.

We've heard the Premier and the minister emphatically state that municipalities would not be forced to amalgamate; it would be optional. Well next year's \$20 million cut-back to revenue-sharing grants to municipalities will leave some of the option out of these people's minds.

The dollars allocated for education in '96-97 was unchanged from last year. The obvious omission was the cost of covering the pay increases given this year by the government. It'll have to be picked up by the boards from stagnated funding. This will mean that the local boards will have to pay tax increases just to retain the same level of teaching services we have this year.

There is also no accommodation for increased costs in operation or increased costs in salaries. Every board will be forced to determine if they can keep the same level of teachers

employed and the same number of schools open.

Post-secondary education and job training will be cut by \$10 million over the next three years. Our biggest investment is our young people. Unfortunately this government appears to feel otherwise.

The budget allocated for highways is down from the spending levels of '95-96. The list of construction projects proposed for this year will make a minor dent in the deplorable condition of many of the highways in this province. Rural Saskatchewan residents should not expect that the trips to the city for their medical needs will be any easier on their vehicles, nor will it be cheaper. Gasoline taxes remain at one of the highest levels in this country.

The health care budget is the same as last year. Allocations for long-term care and acute care are down, and home-based care budgets are slightly up. There was no consideration for increased costs in operations or inflation. Neither was there any help for district health boards for problems with their deficits or for the workmen's compensation assessment still hanging over their heads. The budget for Agriculture was down for nearly \$50 million.

The sale of Cameco shares will save this province over \$100 million in interest payments alone. There are other Crown corporation assets affected by this province's economy that must be looked at in the same light. Taxpayers have the right to decide how this province's dollars are spent. Selling Crown corporations and using the profits to pay down the debt to save interest payments will affect our ability to retain the level of education and health care we have the right to expect.

The future of Saskatchewan, specifically rural Saskatchewan as we know it, is at stake. Change is imminent and not necessarily bad, but we must find a way to blend the future changes with the best of the past. We have to retain the way of life that keeps the spirit of Saskatchewan alive and makes us the best place in the world to live.

Mr. Speaker, this budget does nothing for economic development in our province. It doesn't ease the tax burden on businesses or individuals. It doesn't lower extremely high utility rates. It doesn't remove oppressive labour legislation. And it doesn't reduce regulations.

Mr. Speaker, the best ways to stimulate the economy, to help it grow, and to allow businesses to thrive, is through job creation. The problem is that this NDP government believes they are the only ones who know how to create jobs. We all know, or at least we should know, that government doesn't create jobs; businesses do, although government can certainly force businesses to lay off employees and implement hiring freezes. They do this simply through their legislative power to increase taxes, utility rates, and introduce laws.

Mr. Speaker, after closely examining this budget, looking past the smoke and mirrors, it's very evident that this NDP government thinks they are untouchable. They have convinced themselves that the 42 of them truly represent the will of over 1

million people in this province.

They claim they consulted prior to making any budget decisions, but I would have to disagree. To simply expend in excess of \$100,000 on a public relations campaign can't be confused with consultation. Their consultation process was simply to place the fear of God into people so they'd expect the worst. They spent in excess of \$100,000 to play a political game with the lives of the people of this province. Mr. Speaker. That is why their approach can only be called immoral.

People have a right to know what the financial situation of this province truly is. To parade around telling people that the federal government is at the root of all evil, and then in the 11th hour find a new way of funding, is indicative of the respect this NDP government has for the people who sent them here.

Mr. Speaker, it will prove to be very interesting to see what happens in the budget in the next 11 or 12 months. We saw in the '95-96 budget an estimated \$24 million surplus and we found out after the election the surplus was less than \$600,000. It is very difficult to put a great deal of faith in the numbers that this government puts forward, although I'm quite confident that if once again their pencils aren't so sharp and their reliable calculators aren't so reliable, they'll find someone else to blame.

(2015)

Mr. Speaker, a lot of concerns arose from the budget that was presented in the Assembly, far too many to list in the time allocated for this debate. We will in the very near future be discussing things like the \$100 million indirect tax increase, \$20 million cut to funding for municipalities, the \$10 million cut for funding to education, and the \$100 million that was suddenly available for SOCO, and the many other problems surrounding the business climate the NDP government has created.

Mr. Speaker, in closing I would like to say this budget is not a document that gives hope to the people of Saskatchewan, and if this is how the government is preparing for the new century, then all the people need to be worried. And in closing I can only say that I hope that this budget was a cruel April Fool's joke published a few days early. Thank you.

Some Hon. Members: Hear, hear!

Ms. Murrell: — Thank you, Mr. Speaker. The 1996-97 Saskatchewan budget is the result of cooperation and consultation of Saskatchewan people, enabling us to prioritize, prepare, and plan for the 21st century. It reflects the input and priorities of we, the people of this province. This year's budget is very forward-looking but it is based on the realities of the present and it is guided by the values of the past — compassion, community, and cooperation — the same values that have made Saskatchewan the best place in the world to live.

People told us their top priority was jobs and opportunities, and the 1996 budget responds to that message. It supports the

province's plan for economic development, *Partnership for Growth*. It builds on the province's strengths in export and world trade, with funding to establish STEP (Saskatchewan Trade and Export Partnership Inc.), the Saskatchewan Trade and Export Partnership. STEP will enable business, industry, and government, in cooperation, to find and develop new markets and trade opportunities for Saskatchewan products. This will promote and expand our export and trade business and create jobs for Saskatchewan people.

To encourage business growth, we are using targeted tax incentives and cutting red tape. A 9 per cent investment tax credit in support of manufacturing and processing, a reduction of up to 7 per cent in the income tax rate applied to manufacturing and processing, and a reduction in the small business income tax rate to 8 per cent — these are positive incentives to complement STEP. We are also continuing support for regional economic development authorities and northern Saskatchewan community-based regional economic development organizations.

The budget offers considerable support for another major strength of this province — agriculture. It invests up to 238 million in agriculture over the next four years to diversify and strengthen this vital part of the Saskatchewan economy. It also provides 125 million to upgrade and maintain the province's highways so farmers can get their products to market. And we have a promising new industry related to agriculture. It's called agricultural biotechnology and it's experiencing rapid growth here in Saskatchewan. And we will continue to identify and use tax incentives to stimulate economic growth and jobs.

But this budget has not forgotten families and individuals. Not only does this budget contain no tax increases, but we are keeping our commitment to make the tax system more fair. Everyone in Saskatchewan who pays income tax will benefit from the debt reduction surtax, but the greatest benefits will go to middle and low income taxpayers. This tax cut will inject \$55 million a year into the Saskatchewan economy to strengthen local businesses and create jobs. We are looking to the future as we create jobs for today and we are preserving the cornerstones of our quality of life: health, education, and social services, for our future and for our children's future. That's why our budget back-fills 100 per cent of the federal cuts to health, to the operating budgets of universities and colleges, and to social services.

We are doing this because the priorities of the Government of Saskatchewan are the same as the priorities of the people of Saskatchewan, and our priorities are the people of Saskatchewan. In order to maintain these cornerstones, we must work with the people of this province to redesign and streamline programs and delivery. The work we have been doing in health has already earned international recognition based on local accountability, on prevention, and community-based services. We are redesigning social services to protect children, to help people move off welfare into work and independence, to ensure our young people can receive training. People want to see less duplication, less administration, and more resources directed to programs.

This budget means our partners have time to prepare for the demands and new fiscal responsibilities and realities of the 21st century. It gives the people of Saskatchewan the financial freedom to make choices, to choose their own future. It allows us to look forward to the 21st century with a sense of confidence and security. And this budget makes sure Saskatchewan will continue to be the best province in the best country in which to live.

Mr. Speaker, this budget reflects what the people of Saskatchewan want and it sets the path for the future. Therefore, I support this budget. Thank you.

Some Hon. Members: Hear, hear!

Mr. Pringle: — Thank you very much, Mr. Speaker. Mr. Speaker, it's my pleasure to rise this evening and to participate in this budget motion.

Mr. Speaker, I am very proud of the Premier, the Minister of Finance, the cabinet, and all my colleagues. And of course I'm proud as well of the people of Saskatchewan who in large numbers and very clearly shared their views with the consultation process in terms of the issues that were important and the programs and services to preserve, Mr. Speaker, of course, as we're preparing for the 21st century.

Mr. Speaker, I was interested to hear the comments from the hon. member from Kelvington-Wadena a few minutes ago who talked . . . I'm not sure which budget she was referring to; maybe the federal budget, which she should be concerned about. But she was talking about cuts that we were making. We had made cuts in this budget to health, education, and social services and that we blamed the feds for it.

Well, Mr. Speaker, a little help from her would have been appreciated in terms of the concerns of Saskatchewan people about the federal budget, but we didn't make cuts to those areas. And I think it's important to correct the statement, you know, for the public record, that we didn't make cuts to those areas.

And as well, Mr. Speaker, we were able to back-fill, not because we had scared Saskatchewan people and didn't need to. We were able to back-fill because we had made good management decisions over the past four years, and were able to put some interest from the Cameco shares to increase the revenues.

In addition we were able to renegotiate because some of the those previous Devine loans came through or came to maturity. We were able to renegotiate those interest costs at a lower rate because we're in a better financial position. So I'm concerned that the hon. member feels that by putting that Cameco share money to the debt, we somehow found the need to cut health, education, and social services programs, because we didn't do that.

Mr. Speaker, there were some job losses in the budget, which I feel very badly about. I think that we all have to recognize that unemployment is devastating for anyone who is unemployed,

so I'm not happy about that. I think we tried as best we could — unlike other administrations, I might say — to cushion through the early retirements and the vacant positions and so on.

But importantly, we've tried to give in this budget the focus to economic development and job creation throughout Saskatchewan; diversification of agriculture in terms of the new money there; enhance growth related to trade with the new trade corporation. And we've maintained — we've maintained — the integrity of the health, education, and social services systems and importantly, the jobs there.

Mr. Speaker, I would say that this is an alternative vision budget relative to pretty well any other jurisdiction in Canada, because our consultations told us that these are programs that Saskatchewan people want to maintain. But they want them reformed and redesigned so they can be sustainable in the future, so we can protect the most vulnerable people and sustain these programs for the future.

Mr. Speaker, this is the only government in Canada — this is a matter of public record — that has got this kind of vision. For example, of course, the federal government, I believe, giving us 114 less this next year to manage with, and it would have been very helpful, Mr. Speaker, if we would have had the provincial Liberals expressing at least a little bit of concern about that, rather than being a cheerleader for the federal government.

Mr. Speaker, we also eliminated, I believe, the flat tax for 6,000 new low income families. So we tried to introduce the issue of taxation fairness along with the targeted tax measures to stimulate the economy.

Now, Mr. Speaker, April Fool's Day, which the member for Kelvington-Wadena referred to today and somehow relating it to this budget, while this is the very day that the Canada Assistance Plan is eliminated by the federal government, by her federal counterparts. Now I think that that's one of the most fundamental things that's happened in Canada in the last 30 years. That happened today. And she's condemning this budget; she should be condemning the federal budget because, Mr. Speaker, we already see a patchwork quilt of social programs occurring across Canada. And this is the very day that that Canada Assistance Plan, which ensured federal presence in the social policy area with regard to social assistance, is gone — effective today. Sure they've reduced . . . they've given more flexibility to the provinces, but they reduced the pot very substantially, Mr. Speaker. And the reason the Canada Assistance Plan was established in the first place, 30 years ago, was for the very reasons that we see the patchwork quilt developing today.

For example, she's said that we cut social services program, which we didn't do. But in Newfoundland, in Newfoundland, Liberal Newfoundland, we see that that government has announced that for every penny and dollar that anybody on assistance makes, they're going to take it away. That will trap people on assistance, and there'll be no incentive and supports to get off assistance. Now that's what the Liberals are doing in Newfoundland.

Mr. Speaker, the Tories in Manitoba, what are they doing? Well last year, they took money out of shelter rates for low income people. This year they've announced a 10 per cent decrease in social assistance rates. I believe May 1, a 10 per cent decrease when they took money away from these people last year, Mr. Speaker.

What do the Tories do in Ontario? They hit the lowest of the low income people by 21.6 per cent in terms of the social assistance rates. So that's the vision of right-wing Liberal governments — Newfoundland, the federal government — and right-wing Tory governments: Alberta, Ontario. That's what we see them doing. So that means that the loss of the Canada Assistance Plan today is of even greater significance.

But the member from Shaunavon doesn't care. He's chirping from his seat. I haven't heard him get up and speak. But I hope that he has some compassion for people who are going to be devastated by the loss of the Canada Assistance Plan which is a very major, significant reduction that occurs this day — not to mention the massive federal offloads with regard to their responsibilities for treaty Indian people and the loss of the money to the medicare programs throughout Canada and, of course, to the education program.

We didn't cut funds to education; the federal Liberals did. We didn't cut training spaces in SIAST (Saskatchewan Institute of Applied Science and Technology); your federal counterparts did. And this isn't funny. I'm surprised that you wouldn't be concerned about that. I'm sad that you wouldn't be concerned about that.

Mr. Speaker, the member mentioned reduction in money to municipal governments in Saskatchewan, when her Liberal New Brunswick friends cut \$19 million to municipal governments, and New Brunswick is half the size of Saskatchewan.

Mr. Speaker, regardless of what the Liberals say about poverty . . . (inaudible interjection) . . . and the member just referred to that, the National Anti-Poverty Organization, who had their board meeting in Regina, believes that Saskatchewan is perhaps the only government who is not dealing with their debt problems on the backs of poor people. It's the only government in Canada, Mr. Speaker, but we're dealing with our financial problems by increasing the economic activity, job creation, and by being fair across the piece in terms of balancing our budget.

So it's a principled approach, one that shows compassion. If you look at the approach with regard to the post-secondary education institutions, once again the official opposition attacked the other day, attacked that process — they don't have any ideas of their own — but attacked the process where we're going to look very seriously at again positioning our post-secondary institutions so that we'll meet the training and educational needs of our young people in the future, Mr. Speaker.

(2030)

Mr. Speaker, our approach is the reason why our Premier has

been invited to speak at a national conference in Ottawa later in the year, as this national forum looks at strengthening communities and providing supports to families. They've chosen to invite our Premier to make a major address to that conference because of our balanced approach of compassion, community-based solutions, of fairness, financial integrity, and because we're redesigning systems with compassion to prepare for the future. I'm not aware that they've asked any Liberal premiers to speak, Mr. Speaker, to that.

Mr. Speaker, we've also, I'm happy to see and to be part of, unlike the federal Liberals, who have not . . . or who have reneged, I guess is the right word to say, on their child care promise, the red book child care promise, \$750 million in child care, we've chosen to enhance — marginally, but it's appreciated by the child care workers — to enhance their salaries and benefits, and in addition, some badly needed subsidies in the child care field. Because we recognize that 35 per cent of the moms are the people on assistance, are single-parent mothers who need to feel good about their child care in order to pursue training and employment opportunities.

Mr. Speaker, we were, of course, announced . . . the Minister of Finance has announced, the Minister of Social Services as well, the discussion paper regarding the redesign of the social assistance program to deal with the issue of family poverty and also to give people on assistance the tools to help them build the bridges, to move into training programs and to work opportunities.

I had the pleasure yesterday, Mr. Speaker, of attending a discussion group at the Nutana Mennonite Church in Saskatoon with regard to the whole question of the challenges around maintaining the social safety net. And there was a fair amount of interest in the Saskatchewan redesign, Mr. Speaker, because again it has a vision; is based on a set of principles, with compassion as the underlying tone, and also giving people the opportunities to move into training and employment programs.

Mr. Speaker, I want to commend the 60 or so participants at that church in that discussion. They were responding to our discussion paper. They were very . . . had some creative ideas and they were very positive about the plight of, of course, the people who are less fortunate, which is what the church is all about. And they had a number of good ideas which I will share with my colleagues as we try and do things in the Saskatchewan way, which is why we've got the alternative vision to the federal Liberals and the other regimes across Canada.

Mr. Speaker, I will . . . there are many other things that one could say about the budget speech. My colleagues have mentioned a number of those. Tonight I've tried to confine some of my remarks to the human service area — that is the health, education, and social services part of the budget, which I am very proud of because it's an integrated approach, it's holistic, and it maintains the fundamental services that people in Saskatchewan want.

Mr. Speaker, I will be supporting this budget with great pride because I believe that it helps to position Saskatchewan for the

future and that we're the alternative vision to the dismantling we see in the Liberal and Tory provinces, and by the federal Liberal government.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Sonntag: — Thank you very much, Mr. Speaker. It's with a great deal of pleasure that I rise this evening in support of the budget speech as delivered here last Thursday in this room.

I too was home for the weekend, Mr. Speaker, and after arriving back here I sort of wish that I would have stayed at home with the weather being as bad as it was. But generally the community up in Meadow Lake and the surrounding towns were very, very supportive of the budget, and for that I appreciate it.

I want to begin by paying tribute, Mr. Speaker, to the individuals displaced in the department reorganization. One never really likes to see any one lose their jobs, but when I compare it to the newspaper — the changes in the restructuring that took place within the newspaper industry here in Saskatchewan — I think our reorganization was done with a fair bit of compassion and consultation. So anyway, to those employees, Mr. Speaker, I know that they've been under a fair amount of stress for the last several months and I want to take my hat off to them. Tough decisions were made, because I'd like to think that we're leading the way in preparing for the 21st century.

And I think this point that I'm going to make now, Mr. Speaker, is key as far as I'm concerned. Many of the decisions that we made were in fact not driven by finances but were really as a result of the environment in which we now live.

I think that people realize that our government has a plan in place now and they're willing to accept that. And part of that plan includes, as you will know, Mr. Speaker, a balanced budget coming up of course and also another four-year plan — a plan to balance budgets for the next four years as well.

Mr. Speaker, we all use all sorts of clichés when it comes to budgets and speeches like this that we're engaged in, some of them like cornerstone and benchmark. One that I really like and I think that symbolizes what this budget is all about for me is watershed.

I think that while I've always had confidence that the budgets that we were involved with in the past were heading in the right direction, this time is the first time, and after speaking with people at home as well, this is the first time that I can really feel, Mr. Speaker, that in fact we see the interest costs starting to come down and we see the overall debt being decreased as well. And people really are starting to see some gain for the pain that they have put in over the last four and a half years. So this is the one that really has made me feel very good, Mr. Speaker.

We're seeing a budget with no new tax increases. There's a

plan to reduce the debt by 2.4 billion by the year 2000. Our overall interest costs, as I referred to earlier, will have an annual savings of nearly \$100 million in interest costs by the year '99, in the budget year '99-2000.

It's truly amazing when you consider where we were in 1991, Mr. Speaker, and I really want to thank the people of Saskatchewan who bit the bullet and worked with us over the past four and a half years. They told us that health and education and social services were their priorities. And through the extensive consultations and with many, many good suggestions from many of the constituents, in fact in Meadow Lake and the surrounding communities in the constituency of Meadow Lake and of course from across the province of Saskatchewan, I think we came up with a budget that really speaks to the priorities of the people of Saskatchewan.

And I want to refer very quickly to a quote that I know several others have in the past, but to the *Globe and Mail*. I think this just summarizes it very, very well for me. The headline, it says is, "Again common sense in Saskatchewan."

And one quick paragraph that I'd like to read out of it says:

The New Democrats have governed imaginatively since they took office in 1991. Facing a deficit of \$845 million, the worst per capita in Canada, they feared the collapse of the social system they had built. They didn't create the mess — the NDP had left the Conservatives a balanced budget when they were defeated in 1982 — but they knew it would take drastic measures to clean it up. And to save the social programs, they would have to recast themselves.

And I think that summarizes very well for me, Mr. Speaker, what I think this budget is all about.

When I look at our budget and the priorities identified by the public, it was extremely gratifying to be able to provide \$110 million in new provincial funding to replace the federal cuts in transfer payments. And speaking of cuts, Mr. Speaker, I am very pleased that we're not taking advice from the Liberal caucus across the floor. They're not, as I would describe them, Mr. Speaker, not exactly a drawer full of the sharpest knives.

One area that I'm proud of, though, that we will continue to cut, is the taxes that Saskatchewan people will have to pay. And in that, I want to refer to what exactly was done. We're going to continue with the debt reduction surtax announced in last year's budget, to provide tax relief for individuals and families. That will now amount to \$150 per taxpayer, a reduction fully implemented during this budget year.

Also we're using targeted tax incentives and cutting red tape to encourage business growth, and I want to list off just a few of those. There is the 9 per cent investment tax credit in support of manufacturing and processing. There's a reduction of up to 7 per cent in the income tax rate applied to manufacturing and processing, Mr. Speaker; a reduction in the small business tax — income tax I should say — rates to 8 per cent. We will retain a reduction in the aviation fuel tax from 7 cents to 3.5 cents a litre. And beginning January 1, 1997, the improved tax

treatment for Saskatchewan-based, interjurisdictional truckers.

And that one is of particular importance to me up in the Meadow Lake area because of the forest industry with a lot of logs being hauled back and forth there, and also being close to the Alberta border. A lot of the stuff that's hauled into the Meadow Lake area and the Goodsoil and Pierceland and other areas crosses the border between Alberta and Saskatchewan, so I'm particularly appreciative of this change.

As well, we're investing up to \$238 million over four years to strengthen and diversify the agriculture and food industry. And also, as well to me, Mr. Speaker, this is very important. We will be contributing as well \$630 million in capital projects.

These are the reasons that I'll be supporting the budget. And from everyone that I've spoken to so far, so too do the constituents of Meadow Lake.

In closing, I want to again thank the good people of my constituency who have been so supportive over the past four and a half years. So I want to thank you, Mr. Speaker, and everyone in the Meadow Lake constituency. Thank you.

Some Hon. Members: Hear, hear!

Hon. Ms. Crofford: — Thank you, Mr. Speaker. In 1991 our government felt a little bit like a woman comedienne that I heard on the radio. She said, I woke up the other day and I looked in the mirror and I said to myself, there's no way I can fix this.

Well, Mr. Speaker, we recognized, as she did after the initial shock, that beauty is just skin deep. So we went to work. I want to talk a little bit today about the big picture, because as I hear the comments of the opposition and the third party, I think they're ignoring the big picture.

In 1991 it was clear that major change was overdue. The voters agreed. But I want to talk a little bit, because people always attribute all the changes taking place to globalization, and I don't feel that all of these changes that are required are due to globalization. There was many changes that were needed in the province that had to do with conditions existing in the province.

Governments were spending money that we didn't have in order to keep promises that we couldn't afford. Health costs were escalating at 8 per cent a year, even though economies were only growing at 2 or 3 per cent. And there was no improvement as a result of these expenditures in people's health, nothing that contributed to additional health or independence.

Government-supported job creation we know can be successful, but unfortunately the Tories blew literally millions . . . well, billions of dollars on projects that had few returns and that depleted the available dollars and tools that we had to use in that way.

And I think the population, in general, over the years has become more educated. We might call them older but wiser and

more interested in making decisions for themselves and communities.

I think that people realize that more government and more money was not the answer to every question, any more than less government and less taxes is the answer to every question. So a new vision was needed to pull these pieces together. And our government has that vision to meet the Saskatchewan challenges and it's a vision for the 21st century.

It's not all new. I remember seeing an old poster from the 1944 election when the CCF was elected to get the Liberal debt off our backs . . . (inaudible interjection) . . . and yes, it was the Liberal debt at that time — same old chicken but the Liberals were the ones causing it at that point. And I do understand that the 100 million that the federal government . . . the \$100 million problem that's been created this year kind of pales in comparison to the 800 million problem in Tory dead-weight debt that we have every year.

But still in all, it all adds up and it all creates part of the problem. Our party has always understood that economic freedom was the first step to social freedom and we decided to start with balancing the budget, living within our means, and eliminating the debt. In terms of health reform, we placed resources and control over decisions in the hands of communities, with needs-based funding and community-based care.

In REDAs (regional economic development authority), we went towards sustainable jobs, based on value added potential in communities, diversification, and the integration of local skills and investment.

And in 1992 we signed an historic agreement on treaty land entitlement, addressing 100 years of unfinished business, with first nations of Canada. This settlement will contribute to the land base and resources needed to build a base for prosperity, jobs, and self-sufficiency for the new century.

(2045)

The first term built this base for continued renewal, and in this second term of government we continue to build on this base. And as we challenge our thinking, we expect that people in education and in municipalities will challenge their thinking. They're the experts and they're the best able to determine how they can achieve the economies that we've been working hard to achieve within our government. They have the most knowledge of their own systems.

And we continue to understand the need to work towards financial freedom. We know you can't have it all ways. You can't have more programs, less taxes, and balance your budget all at the same time. It's a physical and a fiscal impossibility.

So, Mr. Speaker, I support this budget. It challenges all of us to examine new ways that we can move together in partnership, with confidence, towards the 21st century, while ensuring the economic stability and security that comes from knowing that the cornerstones of health, education, and social services, are

there for our children and our grandchildren.

So, Mr. Speaker, I join with my other colleagues in supporting the Minister of Finance in this budget for the future.

Thanks very much.

Some Hon. Members: Hear, hear!

Ms. Stanger: — Thank you, Mr. Deputy Speaker. Mr. Speaker, I am privileged to enter the budget debate because I support the budget of this government. And I am proud that we have been able to accomplish what we have been able to accomplish with the Saskatchewan people. I wasn't able to speak on the throne speech debate, so I'm really pleased to have this opportunity to speak on the budget debate.

I want to thank the people of Lloydminster for electing me for a second term. And I can tell you that I was there this weekend with the Minister of Municipal Affairs. We met with many community leaders and with ordinary people, and they were pleased with the budget. They had many questions, tough questions, that we were able to answer. But as far as the budget was concerned, it was very, very well accepted. The media accepted it well and so did the folks in the community as we walked around on Friday and had lunch and met with community leaders.

I want to tell you that I am proud of my colleagues on the front benches. This has not been an easy six months. It has not been easy for the cabinet ministers or the deputy ministers as they restructured departments to make this budget work. I want to say thank you to them and to the back-benchers who helped in any way that they could. This budget is balanced, this budget has vision, and this budget prepares Saskatchewan for the 21st century.

In this vast province of ours, the Saskatchewan people have built well. Every stripe of political party, NDP, PCs (Progressive Conservative), and Liberals, have assured the people of this province that they would have equal access to services whether they lived in Shaunavon, Swift Current, or La Ronge. We have built an amazing infrastructure in health, education, highways. Incidentally, Mr. Deputy Speaker, we have seven east-west highways, the only province to have that in all of Canada. We've built electrical power which is accessible to everyone, telephones for everyone, and now in the competitive and deregulated free-trade environment we, as government, have had to restructure, rebuild, and redefine how we deliver services so that the quality of life will be maintained for our children and grandchildren.

And how were we able to do this? How were we able to do this? Since 1991 we have struggled with the highest per capita debt in Canada. We have struggled with interest payments on the debt exceeding \$800 million per year. We have struggled with a changing economy and work environment. How has this government been able to accomplish our goals?

Mr. Deputy Speaker, the people of the province gave us clear directions and they gave us directions and their wishes. The

people of this province wanted jobs for their children. They wanted to preserve the cornerstones of our quality of life, education, health. We're back-filling 100 per cent so that we can maintain health, education, and social safety nets in this budget.

The people told us that they wanted to restructure and streamline government, they wanted to cut administration, eliminate duplication and overlap, and they wanted to deliver services more effectively. Mr. Deputy Speaker, this province is running the leanest government in Canada and is doing it more efficiently than any other province.

Some Hon. Members: Hear, hear!

Ms. Stanger: — Mr. Speaker, unlike many of the opposition members, people on this side of the House understand the politics, and the dreams, and the aspirations of Saskatchewan people. When I look at my colleagues, I see years of commitment and service to the Saskatchewan people. These are not people who bought a political membership two or three years ago in a political party; these are folks that have three generations of commitment.

My good friend, the Minister of Indian and Metis Affairs, has a lifetime of working with our party. Her father, a former deputy minister of Labour in the Douglas government. The Premier, the Deputy Premier, and the House Leader — 75 years of dedicated service to the New Democratic Party and the people of this province.

My colleague, the member of Regina Coronation Park, sits in this legislature following in the footsteps of his grandmother, Beatrice Trew, who represented the constituency of Maple Creek.

Some Hon. Members: Hear, hear!

Ms. Stanger: — The Minister of Post-Secondary Education comes from a family committed to rural Saskatchewan. Again, a family with years of commitment to Saskatchewan and the NDP. The key word in all of this is commitment. That is why we were able to balance the budgets and why we will balance the budgets in the next four years. This is a team that is committed to our principles of compassion, caring, cooperation, and vision. A team that believes in working together, a group of individuals who are more interested in common goals and the common good rather than in individual ambitions.

And now I turn to the federal Liberals. My father used to say this about the Liberals — and he's been dead for many years, old Ukrainian, and he used to say — Liberals, Liberals, Violet, you remember; remember when they're out of office, they talk like us; when they're in office, they govern like the Conservatives.

And my father was right. And in spite of the massive cut-backs to social programs announced by Liberals in Ottawa, and the Romanow government — we have made a clear and strong commitment to provide vital services for Saskatchewan people. Federal Liberals have cut 114 million this year from our health,

education, and social programs. The provincial NDP government has provided \$110 million of new funding to protect programs and to shield our partners from the impact of federal costs.

By the year 2000 Ottawa will only be contributing 15 per cent — 15 per cent — towards the cost of health care, education, and social programs. The provincial government will have picked up 96 per cent of the federal shortfall.

Just remember, the federal government had to deal with debt and deficit too; it's the way that they did it. We cut 8 per cent to health, education, and social services when we were elected in '91 and 25 per cent to the rest of government. The federal government did exactly the opposite. They cut 25 per cent initially — and it's going to be much more in the end — to health and education and social safety nets; and only 8 per cent to the rest of their federal government. Then they have many more departments to cut from than we did.

We do not like or agree with Ottawa's priorities but we are not prepared to slash essential, basic services like health and education. And in this budget for '96-97 no funding cuts for social services; no funding cuts for health districts; no reduction in post-secondary operating grants. There will be a \$4 million reduction in capital spending for post-secondary because we have had to set priorities; and K to 12 education will receive a 2 million increase this year.

With this budget the province has made a strong statement about the importance of maintaining high quality, accessible social programs. So together with my government colleagues, we will work to provide the most efficient, compassionate government in Canada.

I will be supporting this budget and I am proud to do it. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Murray: — Thank you, Mr. Deputy Speaker. I'm certainly honoured to say a few words on this budget. In fact I'm very honoured to support this budget.

When I was first elected in 1991, I was privileged to sit on the Public Accounts Committee. And as I became more familiar with the work of that committee, and through that committee became more familiar with the provincial finances and the incredible mess that they were in, I clearly remember thinking to myself, how on earth are we going to handle this; how on earth are we going to get out of this?

How can a province of 1 million people deal with a deficit of almost a billion dollars? How can a province of 1 million people, about 400,000 taxpayers, deal with a \$14 billion debt? How can a province with the extensive infrastructure that we have — the roads, the hospitals, the schools, the power distribution system, the energy distribution system, the local governments — how can we keep going? How can a province which has a history and record of valuing people and social programs continue to provide and sustain those values and not

either go further into debt or go bankrupt? Shall we say to the federal government, well you make our financial decisions for us?

Well, Mr. Speaker, we decided that we would fight, that we would be bold, that we would be courageous. And so we had our first budget in 1992 which laid out a financial plan to achieve a balanced budget in 1995, and we did that. The people of Saskatchewan and this government balanced the budget in 1995 — the first province in Canada to do so. We had a plan, and it worked, and we did it while maintaining our enduring values of fairness and compassion.

So here we are in 1996, a new term, thanks to the people of Saskatchewan, and just presented our first budget in this new term with a new plan: "Preparing for the New Century."

"Preparing for the New Century" — this budget is about responding to the priorities of Saskatchewan people. This budget is about building prosperity and jobs for the new century. It's about preserving the cornerstones of our quality of life. It's about restructuring and streamlining government, and it's about providing the freedom to choose and control our future. This budget is about building prosperity and creating jobs for the new century.

How does it do that? Well, Mr. Deputy Speaker, it does that by providing funding for the Saskatchewan Trade and Export Partnership to help businesses take advantage of the new global market-place. It does that by building on our strengths in the key growth sectors such as agricultural biotechnology. It does that by investing up to \$238 million over four years to strengthen agriculture. It does that by stimulating investment and job growth by continuing the 9 per cent investment tax credit on capital purchases for manufacturing and processing. It does that by continuing the reduction in the aviation fuel tax announced last year. It does that by continuing the reduction in the debt reduction surtax to provide tax relief for Saskatchewan families and pump an extra \$55 million a year into Saskatchewan's economy.

And it does that, Mr. Deputy Speaker, by investing over \$630 million in government and Crown corporation capital projects.

This budget is about preserving the cornerstones of our quality of life. This is especially significant today because April 1 — today — is the first day of implementation of the Canadian Health and Social Transfer. As we now all know, that means over \$100 million less from the federal government just this year — \$114 million less in fact.

(2100)

Well our budget replaces 100 per cent of the federal cuts in 1996-97 to health, social services, and the operating funding of our universities and federated colleges. This budget works with universities and federated colleges to reduce duplication, cut administration, share resources, and pass the benefits on to students.

This budget develops a made-in-Saskatchewan training and

upgrading strategy, coordinated by the new Department of Post-Secondary Education and Skills Training. This budget helps employable men and women move off social assistance and into jobs with new incentives and more opportunities for training and work experience. This budget provides increased funding for children in need, including providing \$500,000 of new funding to help ensure that child care workers are paid a fair and decent wage.

And, Mr. Deputy Speaker, this budget is about restructuring and streamlining government. We have already begun. We have already started to restructure, to adapt to new realities. We knew we could maintain the services Saskatchewan people have said are important to them if we restructured and streamlined government. We are doing this by reducing administration costs, eliminating duplication, improving service delivery, and redirecting essential services. In fact we are cutting government expenses by \$50 million.

Some Hon. Members: Hear, hear!

Ms. Murray: — Mr. Speaker, this budget is about the freedom to choose and control our future — the freedom to choose and control our future. We were the first in the '90s to balance our budget. Well this budget gives Saskatchewan people a balanced budget for 1995-96 despite reductions in federal equalization payments and difficulties with forest fires and floods. This budget gives Saskatchewan people a plan for four more balanced budgets right up to the turn of the century. And this budget gives Saskatchewan people no tax increases for individuals, families, or small business. This budget gives Saskatchewan people a plan to reduce the province's debt by \$2.4 billion between 1994 and the year 2000. Mr. Deputy Speaker, this budget focuses on Saskatchewan values. And we know what they are because we went out there and we talked to the people. We listened to the people. We consulted with them. We asked them what their priorities were. And they told us. And we thanked them for participating in that process.

And they told us that those Saskatchewan values continue to be jobs, health care, social programs, education, and skills training — and, Mr. Speaker, the freedom to make our own decisions and our own choices so that we can maintain those Saskatchewan values. This budget, Mr. Speaker, ensures that we will be able to do just that, and I'm proud to support it. Thank you.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Thank you very much, Mr. Speaker. I want to begin by saying it's a great pleasure to rise in support of the Government of Saskatchewan's 1996 budget. I want to commend the Minister of Finance for long-range planning in this year's budget.

This government faced a number of challenges, the greatest of which came as a result of the federal government's intention to tackle its deficit — but more important, in the way in which it did it, not by economizing at the federal level, although everyone agrees there's ample room for that, rather they chose to take the vast majority of the savings at the expense of the

provinces and at the expense of health, education, and social service programs.

This made our chore enormously difficult. I felt that the Minister of Finance can congratulate herself on a successful budget. I felt that over the weekend as I talked to people and they were generally accepting of the budget. I thought the proof that the Minister of Finance had been successful in putting together a budget which met people's expectations was today in question period when the Liberal members opposite ignored — this, believe it or not, on the second day after the budget — ignored the budget, went on every other issue, and only got to the budget when they needed a filler to kill off the last five minutes of question period. That was when they got to the budget.

I think that no greater compliment could have been paid to the Minister of Finance and her efforts to put together a good budget than the Liberal reaction — the reaction of Liberal members in the House today.

I want to bring greetings from the constituency of Regina Northeast. I've now had the opportunity to run in this riding and . . . (inaudible interjection) . . . I greatly appreciate the contribution from the member opposite and we look forward to his contribution, if and when he rises to his feet.

I want to bring greetings from the constituency of Regina Northeast. I ran in this constituency and it is my third constituency in as many elections, Mr. Speaker. I'm not sure whether the folks just . . . I seem to wear out my welcome after one term or not. But this is the third constituency I've run in in as many elections.

I want to thank the people of Regina Northeast for their support in the election. I want to congratulate the candidates who ran against me; in particular I thought the Liberal candidate put up a sterling effort. He was young. He was energetic. I thought he put up a good campaign, and the results in some ways belied his efforts. His efforts should have resulted in a somewhat better finish than what he achieved.

I want to congratulate also the Speaker on his election as Speaker. The member from Moose Jaw North brings to the position a very considerable interest in the Legislative Assembly, a very considerable interest and energy, I might say, in trying to improve this institution.

I think the member from Moose Jaw North who was elected as Speaker is one who is ideally suited for the job. He will bring to the job integrity, energy, and I think perhaps, if I may dare to speculate, I think perhaps some drive to reform the Assembly.

This Assembly is not in the forefront of Canadian Assemblies in terms of our procedure. In some ways we have been more traditional than many. I happen to believe that there are many ways in which this institution could be improved and I look forward to leadership from the Speaker in initiating changes so that this Assembly might better reflect the hopes and aspirations of the public of Saskatchewan as we see them and as members opposite see them.

I am not sure it is as effective as it might be in providing a forum in which the hopes and aspirations and the needs and desires of Saskatchewan people can be reflected and can be debated. I look forward to leadership from the Speaker. In some ways I think he's ideally suited to perform that role.

The budget's long-term plans recognize the advantages and the disadvantages of the new era of global competition. Global competition can increase trade and prosperity; however it can also be used to put pressure on social programs.

I want to talk briefly about these issues, especially in light of yesterday's deadline for provinces to register NAFTA (North American Free Trade Agreement) exemptions with the federal government. I'm going to use the bulk of the time which I have in the budget speech to talk about NAFTA and the agreement which we have recently concluded.

I want to begin first of all with a word about global competition. Global competition is a part of our heritage. It is a part of what has made Saskatchewan what it is. Read anything about the pioneer days in Saskatchewan. Pick up any newspaper during that era, the *Regina Leader* or the *Moose Jaw Times* or the *Moose Jaw Herald*. Look at what they said about their province. They believed this province was going to found an agricultural industry which would take on the world, and indeed they did. And up until the markets changed after the Second World War, indeed this could be the claim — to be the bread basket of the world.

Sometime after the war, and indeed perhaps starting in the '60s, markets changed, and unfortunately Saskatchewan agriculture in some ways remained a wheat economy after a period when the demand for grain began to decline.

It's noteworthy, Mr. Deputy Speaker, that Saskatchewan agriculture is once again changing, becoming much more market driven, and is doing so faster than virtually any other agricultural economy in western Canada. In some ways, Saskatchewan is an island which is an island in a larger sea. Saskatchewan is adapting to the market economy faster than any other jurisdiction. It is becoming market driven . . .

An Hon. Member: — And it's good, isn't it? It's good though.

Hon. Mr. Shillington: — And it is good. Yes.

An Hon. Member: — Let's hear it for Ralph Goodale.

Hon. Mr. Shillington: — Well let's also hear it from the member from Rosetown who courageously brought to an end some programs which inhibited the natural development of agriculture, and GRIP was almost certainly one of those programs which inhibited the natural development of agriculture. And one of the reasons why Saskatchewan agriculture has moved ahead faster and has gone further than other provinces is because that program was brought to an end earlier in this province. The GRIP program inhibited agriculture's adaptation to a changing economy and in that sense it was a bad program. This government has in many ways led agriculture towards their natural inclination, which is to

respond to the market and be independent.

Members opposite refer to the federal government. I think it's fair to say . . . and I think most rural people are very critical of the role that the federal government has played in providing leadership to agriculture. I look forward to the upcoming federal election. And if Liberal candidates succeed in any measure in rural Saskatchewan, I for one am going to be quite surprised. I think rural people are very critical of the role that the federal government has played in the area of agriculture.

Since the Second World War, Mr. Speaker — to return to the theme — since the Second World War, there has been a worldwide trend to open markets and to an end of protectionism. This trend towards freer and freer trade is generally credited with fuelling an enormous increase in world trade and an enormous increase and a continuing increase in worldwide prosperity.

Central to how we are adapting and what impact global competition will have on the province is NAFTA. NAFTA, it should be recognized, has both positive and negative aspects. On the positive side, NAFTA, and the Free Trade Agreement which preceded it, have probably met the expectations of those who were promoters of the agreement. In terms of the increase in trade it has probably met its promoters' expectations with respect to increase in trade. The bare statistics tell a story of an agreement which has been successful in increasing trade.

Between 1988, the first year of the Canada-U.S. (United States) Free Trade Agreement, and 1994, the first year that NAFTA operated, Saskatchewan exports to the U.S. increased by 97 per cent. That really is quite a remarkable increase. When you consider that the U.S. is our largest trading partner and the trade totals \$3.8 billion, which is more than twice as much as the next five largest trading partners combined, that is an enormous increase in trade.

(2115)

By way of comparison, Saskatchewan's next four largest trading partners are Japan, China — Japan at 613 million, China, 558 million. South Korea at 330 million. Algeria — this one surprised me — Algeria, at 273 million. In total, those five as I said, the sum total of those five is less than half of our trade with the U.S.

Our other free trade partner, Mexico, is not among the top five trading partners. It is however growing at a phenomenal rate. It has increased by 237 per cent between 1988 and 1994.

In total, Saskatchewan's international exports account for a very large percentage of our gross national product; 32.2 per cent of our gross national product comes from exports. That is, by a wide margin, the highest percentage of any province in Canada. Virtually everything we produce is exported.

When all is said and done, Saskatchewan and Canada have, as a whole, a trading economy, and our budget and our plan for economic development, the *Partnership for Renewal*, recognizes this fact and builds upon it.

Indeed Canada is one of the great trading nations on earth, deriving as we do a larger percentage of our gross national trade than virtually any industrial nation on earth. Far more so than most nations. It is critical to our present high standard of living that we seek every advantage we can to develop and promote trade.

There are obvious advantages to improving trading relationships. Let me mention a couple that touch people in very real ways.

Some parts of our economy, Mr. Speaker, are going flat out. Let me name a few of these — oil and gas, transportation, machinery, manufacturing, mining, dimensional lumber, pulp. These industries are going flat out. These industries have one common feature. They're all export industries.

As that portion of our economy is going flat out, it's virtually the only portion that is going flat out — that which is export orientated.

Let me try putting the matter another way. Most of these industries all pay well . . . (inaudible interjection) . . . Actually if the member from Wood River is so curious about where this is leading, he might want to be quiet and listen for a change. The member from Wood River has never learned the elemental lesson, when the mouth is engaged, the ears cannot be. So if the member opposite would listen he might find out where I'm going with this.

Moreover, these export industries pay well. If you're making good money, say \$12 an hour or more, chances are pretty good that you're either working in (a) the public sector, or (b) — and I mean that in the broadest sense to include health or education — if you're making high wages, chances are you're working either in the public sector or in an export industry. There are some exceptions to that, but there aren't very many. Good paying jobs in Saskatchewan are derived from one of those two sources.

For all the advantages of free trade and NAFTA, there are some very serious disadvantages. Canada and Saskatchewan have always defined themselves not by their high standard of living. As the Premier has said so often, we define ourselves not by our high standard of living but by the compassion which we show for our fellow citizens. We believe that what makes us different than other peoples, and particularly our good neighbours to the south, is that we are a compassionate society, we are community orientated, and that is what makes us different. And it is that key definition of Canadian society which is under threat from NAFTA in particular.

This problem is rooted in NAFTA's narrow, one dimensional nature. It is strictly an economic agreement which is blind to any consideration of social objectives and social costs. It was after all negotiated by a Conservative government in Ottawa. What would you expect indeed but an agreement to be negotiated which would misunderstand the very nature of this country?

I may say, Mr. Speaker, the litany of problems which were left

to this country, both nationally and provincially, after the Conservatives exited the scene will be with us for a very long period of time.

I see I might have touched a bit of a sore spot opposite. If I were members opposite, I think I would want to be . . . if I were members opposite, I think I'd want to be a little careful about talking about their record as well.

One of the things that differentiates members on this side from members on that side — members on this side have a proud history in office. We've provided superb government. Members on that side of the House have left a litany of disaster both at the federal and provincial level. I can well imagine why the past is not something the members opposite want to dwell on.

We of the NDP need to be precise. We of this government and the NDP need to be precise when we are talking about free trade. We don't fear free trade. Indeed our standard of living is based on it, both here in the province and in Canada. What we fear is not free trade but that this particular agreement will erode our social programs, and the fear is grossly aggravated by the hostility of U.S. corporations and many of their politicians towards Canada's social programs and by their view that areas such as Canada's public health system is merely another market which they're being unfairly prevented from entering.

This approach, Mr. Speaker, contrasts sharply with the European Economic Union. The European Economic Union began with a series of social principles to which all nations had to agree. There were principles with respect to labour standards. There were principles with respect to the provision of basic services: education, health, shelter for all Europeans no matter where they lived. And, Mr. Speaker, many Europeans believe that the success of their union, and the fact that it has continued to develop through a series of fits and starts, can be credited to no small degree to the fact that their agreement has some common social objectives upon which that agreement is based. It is not strictly an economic agreement.

I mentioned our public health system. This is just the most recent example of a social program which has come under stress. There has been a growing fear that the U.S. and Mexico will challenge our right to publicly funded medicare. The origin of the problem is that NAFTA guarantees not only free borders, it also guarantees equal access to investment. Thus American investors and Washington have argued that private companies should be able to compete to provide health services, and NAFTA seems to support them.

As a result of concerns expressed by Saskatchewan, and in particular British Columbia, and other provinces, these security problems have been largely addressed. The provinces began, Mr. Speaker, by listing a series of exemptions which they had a right to make to the NAFTA agreement. The Government of Canada had announced at the 11th hour they were taking charge of the matter, and it appeared that they have done so. While the agreement has not yet been finalized, it appears that the Government of Canada has at the 11th hour been able to arrange for an exemption for all provinces of social services, so that health, education, and social services can remain public

functions within Canada.

In the meantime, we have demonstrated our commitment to ensuring maximum protection by transmitting an official list of our reservations to the Government of Canada in case their list turns out to be insufficient. We will remain vigilant in protecting our social safety net from the operation of trade agreements which are and should be limited to the provision by the public. We want . . . I want to say in closing, in closing this comment off, this is probably just the first threat. Others will come. The agreement is too narrow, the NAFTA agreement is too narrow. There is no recognition of common social goals. Nothing is stated. And this central defect in this agreement is going to continue to haunt us. This is simply one challenge which I think we have successfully met but which will undoubtedly come back in other ways.

Ultimately, Mr. Speaker, Saskatchewan can only be a spokesperson on behalf of the people of Saskatchewan. The Government of Canada is a signatory to the agreement and it is they who must do what they can to protect programs.

The last round which we had gives us little comfort, I must say, in depending upon the federal government, federal Liberals. The federal government did nothing to protect social programs; first of all spent months assuring the provinces that they had nothing to be concerned about. Fortunately provinces such as Saskatchewan and British Columbia, led by New Democratic Party governments, did not take that advice. We gave leadership to other provinces.

Finally at the 11th hour, and I mean like last week, like a few days ago, the Government of Canada became so embarrassed by the process, and under some pressure from the U.S. and Mexico to show a little more leadership, finally the Government of Canada took charge of the process and provided an overall exemption. It's noteworthy, though, that the Government of Canada had to be embarrassed beyond all that was reasonable before they took the necessary steps. One can't help but being critical of the federal government for its conduct on this. One can't help as well in being concerned about future challenges which may come forth.

I want to say in closing, Mr. Speaker, that this budget demonstrates that the Government of Saskatchewan is adapting to changes which are going on throughout the world. This province is adapting as fast and as successfully to a globalization of our society — it's not just our economy; our society . . . this province is adapting to globalization as fast as any province in Canada and Canada is adapting as fast as any country.

Mr. Speaker, one of our earlier prime ministers, Sir Wilfred Laurier, said that the 20th century would be Canada's. I'm not quite sure that he was right but he may have just been . . . he may have just missed it by one century. It may well be that the 21st century will be ours. I'm delighted to support the budget, and delighted to support a budget which promotes and protects fundamental values. Mr. Speaker, I'm pleased to support this budget.

Some Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. Thank you, very much. It's my pleasure to enter this budget debate — this budget that is really about change and really about preparing all of us in Saskatchewan for the next century.

Change is a byword that has been on our minds and on our lips for some time now, but change seems to be about the only thing that remains absolutely constant in the real world in 1996. And though it would be nice at times to just sort of pause and maybe slide back 10 or 20 years, and go back to what we fondly remember as a simpler time, that reality just isn't there for our sons and our daughters, for the young people of Saskatchewan. I don't think that option is there for us either. So that's part of what this budget is all about, is the preparation for the next century.

And frankly it's a budget that I am going to be very delighted to be supporting, standing up and supporting, when it comes our time to stand up and vote, Mr. Speaker. I am so intensely proud of our Minister of Finance, our Premier, the Treasury Board, and all of my colleagues — be they cabinet ministers or back-bench MLAs. I'm incredibly proud of this wonderful team that has gone out, listened to the people of Saskatchewan to the very best of our ability. And I know some will say that our ability to listen, Mr. Speaker, might be a bit challenged. But nonetheless, we collectively went out, did our very, very best effort to listen to our constituents and others across the province.

(2130)

We heard them quite clearly saying health care is a real concern. We are desperately concerned that if I get sick — or if my wife, or my son, or my daughter, or my aunt, or my uncle get sick — I want to be assured that the quality health care is there and available for them. That's the very first priority that Saskatchewan people talked to us about.

Well the reality is this budget back-filled \$47 million of federal Liberal government offload in health care alone; \$47 million they reduced, we put it back in. So for every dollar up to 47 million that the federal Liberals took out of the Saskatchewan health care budget through the long-standing sharing formula of paying for health care, for every one of those \$47 million that Paul Martin and Jean Chrétien and the Liberals in Ottawa took out, we put a dollar back in to the \$47 million.

But you know what's the frustrating part, Mr. Speaker, is the price that had to be paid in other areas of our budget, the price that had to be paid. Ask our civil servants, ask the more than 500 that are no longer employed and they will tell you that they paid about as big a price as any government or any employer can ask them to pay. I can tell you that that price that we asked those people and their families to pay, was not one that we took lightly. Because we didn't take it lightly there was a fairly generous early retirement program put into place. I'm delighted to tell you that the take-up was very good on that early retirement program.

Is it perfect? No. No, Mr. Speaker, it's not. Saskatchewan in 1996 is not a perfect world. My heart goes out to everyone who has lived through the insecurity of what has gone on and words just can't adequately describe that. I'm again proud of the efforts. I think that the efforts to manage this transition in Saskatchewan are second to none anywhere in the universe.

Show me anywhere where the same efforts have been made. Certainly nobody's going to hold up Ontario and say that's the model. Closer to home, I can't believe that even the third party would hold up Ralph Klein's kinder, gentler Alberta as the model. The kinder, gentler Alberta where they charge \$816 a year health care premiums and then willy-nilly lay off people, be it in health care, education. They fired all the kindergarten teachers a year ago and tried to hire them back this year. It's sort of a jerky, on-again, off-again relationship that Alberta has.

But that's Alberta; they've got their problems and frankly I wish we had more of their joy from the oil royalties. That would solve a fair number of problems. I think the Minister of Finance agrees that if we could . . . if we had a little bit of that wealth we would undoubtedly be able to govern and look like saints.

But that's not the reality again; just not the reality in Saskatchewan. We can only deal with the reality as it presents itself. And yes, we try and make adjustments to that reality, but \$47 million offload in health alone from the federal Liberals and we back-fill \$47 million at a price that I've enunciated. And isn't it a shame, isn't it disgraceful that all we've got to show for that \$47 million back-fill on the federal Liberal offload, is we're able to say, oh, but we're treading water in health care; we're broke even; we're the same place as we were a year ago basically. Now nothing remains totally static, but \$47 million in health care should have bought the people of Saskatchewan a terrifically huge amount of joy, should have. What did it buy us? Status quo, thanks to our federal Liberal government.

This budget, as I said, protected health care. Well we talked to our constituents, our friends, our neighbours, people across the province, and I was delighted with what I heard from people of all ages. This absolutely transcends . . . I'm not talking just high school students, just university or SIAST or community college students, Mr. Speaker, but everybody right up to the most senior person that I had the joy of talking to in this budget consultation, without fail they said education. If we can do nothing else, if we can't provide a \$50,000 a year job for my nephew Johnny or my niece Mary; if we can't do that, the very least we can do is provide these young people with the very finest education that we possibly can.

Education is a huge commitment; it's an obligation that this generation has to the next generation. It, as you know, gets paid back many, many times. Our whole standard of living is in no small measure due to the great education that our population overall enjoys now. Particularly, cast your mind back 100 or 200 years when you had basically an illiterate population. When the minister or the preacher happened to be a minister or preacher because they could read and nobody else could for the most part. Fortunately things have really improved, but

education, a major commitment, a major commitment to our future — what did the federal Liberals do? — cut post-secondary education \$15 million this year, more next year. What is our response? We back-filled \$11 million in post-secondary education. It's 4 million short. I know some of you are paying attention to the numbers, Mr. Speaker. The 4 million shortfall is in a capital program for post-secondary education. And as everyone in the universe that's paying any attention to education knows, there are some real serious questions about what post-secondary education is going to look like next year, the year after, the year after.

We're back-filling but there's no point in getting involved in a capital project that might or might not be the best capital project, the best capital project that we could undertake. And that situation should be clearer 12 months from now. So 12 months from now we should be back in a position where education, post-secondary education capital, can hopefully figure into the equation again.

Federal Liberals cut 15 million. Our response — put back 11 million for post-secondary education. Very important.

Social programs was the third item that again, without fail, there was individuals that said well, you got to do this or you've got to maybe make it so people receiving social services benefits can be encouraged to seek better employment, more paying employment. I understand the sentiment. What these people by and large need is the jobs, and that's why the focus in this budget is jobs, that's why we've laid out the job creation target. Unlike the federal Liberals who were silent on it, we've laid out our job projections right to the year 2000 and we proudly talk of our record over the past nearly five years now in terms of job creation.

It's not enough. I'll be the first person to say that, Mr. Speaker — it's not enough. What we would all like to see is another 50,000 or 100,000 jobs in Saskatchewan, just like that; but it doesn't happen just like that. You have to have the foundation. The business community have told us repeatedly what they need is the fiscal stability, the knowledge to know that taxes aren't going to have to escalate as governments chase that debt and deficit devil.

Well this budget, Mr. Speaker, is our third. Not our first, not our second, but our third in a row balanced, surplus budget. Not the first, not the second, our third in a row balanced, surplus budget. This budget that we're projecting for this year, that we're debating as we speak, shows an \$8 million surplus. That, on a total revenue of five billion, three-hundred-and-some million, is a lot of revenue for a very, very skinny surplus. And we acknowledge it's a very skinny surplus.

What are the options? The Minister of Finance could have projected perhaps, as the former Devine government did, could have projected a \$200 million surplus. And it really would have been very simple. I have some advice for the Minister of Finance. All you do is you take out a pack of cigarettes or something, and you project that the price of oil, instead of being \$18.50 or \$19 a barrel — you say, well what happens if the price of oil goes to \$27 a barrel? Oh, the revenue increases

\$200 million. Well there; we just made ourselves a \$200 million surplus.

That was the Conservative method of budgeting. For nine and a half long years, we witnessed this in Saskatchewan. We know the record. We remember, many of us remember, 1986. Grant Devine won his second term of election. That year, Gary Lane was the minister of Finance. Gary Lane was projecting a \$277 million deficit. Before the election.

After the election, some two weeks after the election, Gary Lane, not embarrassed at all, not red-faced at all, he says, well whoops, I guess I wasn't paying attention. It's not 277 million deficit this year, it's 1.2 billion. And I'm quick to point out to the Leader of the Third Party, Mr. Speaker, that this \$1.2 billion deficit wasn't after a change of government. That wasn't a run-up, artificially run-up number, run up by a different government. That was the Conservatives got re-elected and had to report — because the Provincial Auditor wouldn't let them not — had to report the fiscal and financial reality.

So 277 becomes 1.2 billion. What is the then Conservative minister of Finance's response? He says, well what do you expect? We're politicians. I can't describe the sinking feeling in my guts when I heard that, Mr. Speaker. I think that public service, that being an MLA, is one of the most honourable callings that any of us could have. I am so proud to be able to stand here and speak the truth as I see it. And then to have somebody say: what do you expect; we're politicians. What do you expect; we're politicians. This may be a joke for the Leader of the Third Party but it's your shame. It's your joke. It's not for anybody that respects this place and what it stands for — this democracy, this democratic place that has its own nuances and some many good things happening.

Mr. Speaker, I am proud that we delivered a balanced, surplus budget two years before the election. We delivered a balanced, surplus budget the year of the election, and now our first budget after successfully being re-elected, we're offering up a balanced, surplus budget. Not only do we speak . . . talk the talk, we walk the walk to the very best of our ability. And I know with \$8 million, this is skinny. I know that if we have another year of forest fires like last year, the Minister of Finance is going to be scrambling to try and somehow maintain this in balance. I know that. I think the people of Saskatchewan understand that. But what I am hearing is that this budget lays out a realistic plan for this year and we've laid out a realistic plan right to the year 2000.

(2145)

A realistic plan, unlike the federal Liberals, unlike the federal Liberals who . . . what's their idea? Well Paul Martin will tell you that he's making fantastic headway on the deficit. Well as I understand it, this year, this year the federal Liberal deficit is going to be more than \$20 billion. The total debt, the federal, the national debt, is over \$600 billion. Well this is their third year, going into their fourth year, and the best he can come up with is a 20-plus billion dollar deficit.

In our third year we delivered . . . and I'll come back to finish

this point, but we delivered a balanced, surplus budget. Now when I say we delivered it, our Minister of Finance put together the budget; a million people in Saskatchewan delivered it. A million people participated, Mr. Speaker, in those tax increases that were necessary the first couple of years we formed government, and in those service cuts that were also necessary.

I've said from my place before, unfortunately there is no magic to government. It's just like somebody selling you snake oil. If this snake oil off the back of a station wagon sounds like it's too good to be true, it probably is. And it's no different with government. If the snake oil sounds too easy, too good to be true, you've got to ask, where's the price? Canadians heard Prime Minister — then campaigning, then not prime minister, but now Prime Minister — Jean Chrétien say, we're going to scrap the GST; we're going to axe the GST. Well their idea now of scrapping is: "Feds push provincial sales tax and goods and service tax merger".

Oh well, now this sounds like an idea right out of the third party. This sounds like a Conservative idea. Why do I say that, Mr. Speaker? You'll remember very well in Gary Lane's final budget, what did Gary Lane do? He said, we're going to harmonize the Saskatchewan provincial sales tax with the federal, the Brian Mulroney goods and service tax, so that for evermore everybody in Saskatchewan can pay taxes on all of the things they pay PST on, but also all of the things they pay GST on, but at the combined rate. What does that mean? It means we would . . . where we exempt people for provincial sales tax on health supplies and medicines, on educational materials, on children's clothing, on utility charges, and on services such as accountants, lawyers, or mechanics . . . if you get an oil change, you pay the GST on the labour part of the oil change. You don't pay provincial sales tax on the labour part.

Well if we'd harmonized, there's one other thing that neither of the two old parties will talk about, Mr. Speaker. If we harmonized the PST with the GST . . . corporations have a flow-through that basically says they don't have to pay any of the GST-PST — whatever you want to call it — value added tax. They'd get a flow-through. Who pays? The final consumer, Mr. Speaker, you and I as individuals.

Now what does this mean? You can take your best guess, but every single projection I've heard from any Finance department, be it Ottawa or Saskatchewan, is \$150-plus per family. That's a tax increase on individuals, Mr. Speaker, and there's no other way of slicing it. That's what the federal Liberals want to do now. That's what . . . the provincial Conservatives had passed legislation that would have come into effect January 1, 1991. Our first act on forming government was to repeal that.

This budget carries on. This budget carries on the tradition of standing up for Saskatchewan people, standing up for the very people that I and all of my colleagues have been elected to stand up for — all of us.

Some Hon. Members: Hear, hear!

Mr. Trew: — Mr. Speaker, I am more than a little bit delighted

with this budget. It's not a budget that is without hurt; it's not a budget entirely without hurt. Budgets never are. It offers some tax relief — a further \$150 reduction this year in the debt reduction surtax. I'm happy to see that trend line going down. I'm happy to see our government committed to continued tax decreases as we can afford them.

But I'm also very happy, Mr. Speaker, with a chart that I have in front of me that shows the total debt of the province coming down — a Saskatchewan Finance chart that shows our total debt of the province in 1994 was \$14.9 billion. In 1995 it was 14.4 billion — some \$500 million less. Then in '96 it was \$14.3 billion. That's a hundred million dollars less. Still going down.

This budget that we are now discussing shows the total debt going from 14.3 to \$13.4 billion, a reduction of some \$900 million, much of it coming from the sale of the Cameco shares. It's a one-time sell-off of those shares, buy down the debt, thereby saving \$40 million-plus in interest payments each and every year.

So we're planning for the future; we're preparing for the future. We're doing the very best we can to back-fill from the federal Liberal government. We're doing the very best we can to try and manage with the limited resources and limited circumstances that the Devine Conservatives left us with. It's the hand we're forced to play, Mr. Speaker. In short, it's not a bad hand, you know — this wonderful province of ours that you and I call home so proudly, that we all call home.

This Saskatchewan has a strength; its people are phenomenally resourceful. We'll make it. We will overcome together obstacles. We've done it before. We're doing it now and I know, Mr. Speaker, that we're going to continue to overcome obstacles in the Saskatchewan way well into the future. I suspect, well after all of us are long gone from this place.

I am very, very proud to take my place now and let others enter this debate, Mr. Speaker. I will be proudly standing and voting yes to this budget when the time comes.

Some Hon. Members: Hear, hear!

Hon. Mr. Mitchell: — Thank you very much, Mr. Speaker, and I'm glad that the opposition have received my intervention with so much enthusiasm. We'll try and bring them up to date on what's happening with respect to our universities, with respect to SIAST, with respect to the regional colleges, and with respect to a couple of other activities that have to take place in connection with some of the problems that they're facing.

Let me begin, Mr. Speaker, with the situation that the universities are facing.

Both of our universities, Mr. Speaker, have been under considerable financial pressure for some years now. Through the 1980s, they were squeezed financially; and then of course following the election in 1991, with the enormous problem that all of Saskatchewan had in getting on top of its deficit problems, the universities have not fared well financially.

And as a result, over the last 13, 14, 15 years, the universities have had to go through a whole series of cost reductions and cut-backs and economy measures of one sort or another to live within their budgets. They have done that, Mr. Speaker, with considerable success, but it's been very, very difficult for them.

Both of the universities adopted an approach that saw them trying to maintain their level of programing across the university but to squeeze those programs to try and realize cost efficiencies from wherever they could. This resulted in the cutting of vacant positions, in the laying off of support staff, and in the reduction of expenditures wherever they could find them. And that has gone on, as I mentioned, for some 13, 14, 15 years.

The presidents have said to me, Mr. Speaker, that looking back on it, they wished they had approached the problem somewhat differently. I think if they'd realized that the financial pressures were going to continue for as long as they have, they might have handled the questions of cut-backs in a different way and probably considered what program cuts could be made, what sort of vertical cuts could be made that would have enabled them to keep a large number of programs going at a good healthy clip and delete others completely. But rather than that — and I can understand their decision — they chose to keep their array of programs and try and squeeze those programs to realize efficiencies that would enable them to live within their budgets.

Well that is clearly . . . the presidents tell me that is clearly not a tenable approach any longer. We've had the discussions about this, and it is clear that they have squeezed these programs for as long as they can, and now is the time when they have to consider what kind of structural changes and what kind of program changes they can make in their institutions in order to become financially viable in the long term.

And this is a difficult process. It's difficult for a number of reasons. First of all, all of Saskatchewan is proud, with the kind of programing that we find at each of the two universities. There are programs that are broad and rich; there are programs that are the envy of many universities in this country.

You take, for example, the situation in the College of Engineering at the University of Saskatchewan. You find a very, very wide array of program choices that an engineering student has to choose from on entering the college. And that's something to be proud of. And our engineers have graduated and taken their place all across Canada, and indeed the world, with a degree from the University of Saskatchewan to their credit which gives them entrance to the very highest level of jobs in this country.

We are proud of that. At the same time, of course, it's expensive. And the extent of that expense has become clearer as the years have gone by and the financial crunch has continued. I'm not singling out engineering for any particular treatment, Mr. Speaker, I'm simply using it as an example of the situation at the universities in Saskatchewan.

There was a good deal of anxiety as the extent of the federal

cuts to the CHST (Canada Health and Social Transfer) envelope became clear, as it seemed to the universities, and indeed seemed to us, that we would not be able to back-fill behind these cut-backs and that that may involve pretty severe cuts to the university funding; a great deal of concern and anxiety.

As it turned out, we were able to back-fill, at least so far as our operating grant is concerned for this fiscal year, but we had to tell the two universities that the amount of money that this government is able to commit to university funding would have to be reduced by \$5 million in the next year, '97-98, and by a further \$5 million in '98-99.

The universities can work with that, Mr. Speaker, and they are busily engaged now on two fronts in order to realize the cost savings and the efficiencies that they're going to have to realize, given the information that I've just described to you. They're not approaching it, Mr. Speaker, as a cost-cutting, expense reduction exercise. They're taking the approach that they will positively review their programs and positively restructure their institutions with a view to positioning themselves to be financially viable in the long-term.

So it's not just purely a negative, cost-cutting exercise so far as the universities are concerned, but an opportunity to review their programing and to make the kind of changes that can be made and ought to be made at the university so that they will be a relevant, viable, vibrant, renewed institutions serving the province of Saskatchewan and available for the students in this province to get a university education.

One interesting perspective on this was given to me in a meeting that I had with the presidents and senior officials of the federated colleges. And one of them said, near the end of the meeting, that this situation with its financial limitations, this situation is normal. What was abnormal were the 1960s and the 1970s when there seemed to be a lot of money for university expansion and for the development of universities. And that's a different perspective. I personally hadn't considered the situation in that light, but if you think about it carefully, there's a great deal of truth to that. This may be normal. The heyday years, the big years, the '60s and '70s, may have been abnormal.

But whatever the situation, they certainly created a programing that is extremely difficult to be able to finance in the 1990s. And looking down the road into the future, it is not clear to me how the situation will change to the point where that kind of programing is sustainable in this province or in any other of the western provinces at least, during the years to come. And so I think that we're going to be seeing some pretty fundamental changes in the two universities as far as their programing is concerned.

Now the government, of course, represents the public interest in education as it represents the public interest in many things. And the universities recognize the government's concern that the universities emerge from this situation with the best quality system that we're able to have; the best quality system that we're able to afford; and that it be sustainable and viable in the long term.

And so the universities have, in spite of their tradition of autonomy and independence, agreed that the government should have a place at the discussions that will take place. Those discussions will take place at two levels. There will be discussions between the two universities to see what efficiencies and rationalizations can be worked, to try and find as many economies as possible in that situation and to try and make their programs complementary to each other and mutually supportive in order that there won't be duplication or overlap or pointless expenditure of money. That's one level.

The second level is within the two universities themselves, and there the issue is the array of programs that I have described earlier in my remarks.

(2200)

The question then came before us as to how we should be represented during that exercise. And it is true, as members of the opposition have pointed out, that that could have been done at the level of the minister, or at the level of the deputy minister or an assistant deputy minister.

And yet on reflection we thought that a more appropriate way for the government to be represented was by someone who was at arm's length from the government, at least at partial arm's length, and so we decided to not send a minister or a senior official but to be represented at those talks by someone who has our confidence, has the respect of the university communities, the respect of the business communities in the province, the respect of almost everybody in the province. Someone who could go, and while representing the government, still be at arm's length from the government and not present any sort of threat to the autonomy of the universities or their independence.

The concept of university autonomy is a long and highly regarded value in this province. It has a great tradition and it is one that we, on this side of the House, are anxious to respect and maintain. And we do not want to be seen in this exercise as throwing around our weight or presenting any undue pressure on the universities to make one decision or another.

There is, however, a public interest and we want to understand what's going on; we want to appreciate why it's going on. We want to ensure that our representative, who is a Saskatchewan man, born and raised here, working here all his life, is able to bring to the university the knowledge that he has of the province of Saskatchewan and what Saskatchewan would expect from a university and those related kinds of questions.

And so we were pleased to appoint Harold MacKay to that position and I think he is the logical person to do the job. I can think of no one better qualified or better able to represent the government and, in that way, the people of Saskatchewan, than Harold MacKay.

Turning now, Mr. Speaker, to the situation at SIAST, you may have noticed in the budget that the SIAST funding is level for the '96-97 fiscal year, that is level compared to the year just ended. And we have committed to SIAST that that funding will remain level for the two following years. So they look forward

to three years of level funding so far as the province is concerned.

And the reason why we did that, Mr. Speaker, is because they're already being hit quite hard by the changes to the Unemployment Insurance Act that were announced by Lloyd Axworthy last November. Now those changes impact on Saskatchewan to the tune of about \$31 million. That includes the withdrawal of a number of training allowances and those sorts of supports for individual people, but it also impacts directly on SIAST to the extent of about \$11.4 million. Well \$11.4 million is a lot of pain for SIAST to have to cope with.

A lot of adjustments that will be necessary there will put quite enough pressure on them as an institution to adjust to that particular drop in financing. And we simply had to maintain their funding on a level basis over the three-year period so that they can be secure in that funding and can turn their attention to how they're going to cope with the changes to the Unemployment Insurance Act.

I take exception to those changes to the UIC (Unemployment Insurance Commission) plan for the reason that the plan is in no difficulty. The plan, as I understand it, is in a surplus position and the changes that took place were not made in order to save any money or to prevent the fund from falling into a deficit position or to save the fund or wipe out a deficit or anything like that. It was done for other reasons and it has visited a great deal of harm to the training system in Saskatchewan. I say a word about that, Mr. Speaker, because it is very interesting.

For the last three decades at least, in this province we have had a training strategy which is really an Ottawa training strategy. What we did in Saskatchewan was to take the federal programing for training and use it as the core of our approach to the training of our citizens. And we have added to and supplemented and built around that Ottawa core to give ourselves the training program that we've had here. Now we weren't the only ones to do that. A number of other provinces did it. The closest example is Manitoba, which finds itself in precisely the same position as we're in.

We now have had the federal core withdrawn from us, snatched away, and we're left with a vacuum that we have to fill and we have to fill quickly. And we have to fill it with a Saskatchewan training strategy. And the commitment from Lloyd Axworthy, while he was still the minister, is that Ottawa were prepared to supplement our strategy and add to our strategy and build around our strategy. In other words, the roles between the two levels of government would be exactly reversed.

That's a challenging thing, but it's also I think a very positive thing. It's probably something we should have done 30 years ago. The stark reality is that the approach to training in this province has not been built around an understanding of Saskatchewan needs. It hasn't been built around an understanding of our labour market, or the needs of our youngsters, or the needs of people who are not young but who need retraining. And that has been a shortcoming in our approach to training in this province for at least the last 30 years.

And now with Ottawa having withdrawn, we have the opportunity to finally get at it and to build a training strategy in this province that meets the needs of our labour market; that meets the needs of our economy; and that meets the needs of our people. And it's an opportunity that I and other members of the government welcome.

We have to build this strategy with a great deal of care, a great deal of consultation. The government does not have all of the information necessary in order to put together that strategy, and we will need the help of the workers, the trade unions, and other organizations representing working people. We need the help of the employers and the experts in training, the people who deliver it. We need help from the whole community. But it's an exciting challenge to think about finally establishing a made-in-Saskatchewan training strategy here.

A word about the regional colleges. The regional colleges, a matter of interest to all of us, I think. They are a remarkably flexible and effective instrument in this province and have been for a long time. They're able to put more training on the ground faster than any institution I think in the country.

And it is that wonderful flexibility and responsiveness that makes them stand out above any other institution that I can think of. And that, I believe, Mr. Speaker, is worth preserving and it's worth building on, and we plan to do that. We have told them that their funding is going to be level for this year and the next two years after that.

At the same time, they have problems because the changes to the federal training approach — the UIC changes — will impact on community colleges to the tune of something like a total of \$6 million. And that will chiefly be by the federal dollars not being there to buy training seats or to buy training from the regional colleges. We are not able to back-fill behind that. But there are a number of issues that have to be worked through, and the community colleges will be central in dealing with those.

Let me just describe one of those issues, Mr. Speaker, before I take my place. It concerns apprenticeship. The apprenticeship program in this province has been a federal-provincial program in the sense that we have shared the costs. And the division of costs has been worked out in negotiation and has up till now been that the feds have sponsored about 60 per cent plus of the program, and the province has sponsored about 40 per cent minus.

Well the federal government has served notice last November with its UIC changes that it will be withdrawing its apprenticeship money over the next three years. We are now negotiating with them about the pace of that withdrawal, and we're trying to put as much of that . . . hold as much of that money for as long as we can so that the withdrawal won't take place until near the end of the three-year period. Those negotiations have not been completed, but when they are I'll report on the matter to the House.

But one thing is perfectly certain, and that is at the end of the three-year period the federal government will be out of the apprenticeship program. And that will leave us in a situation in

Saskatchewan where we have to make some decisions about how we're going to finance apprenticeship. One option is just simply to find somewhere the \$4 million to throw into the apprenticeship program, and it'll carry on just as it was with complete provincial funding. That's tough for us to do. I need not say that to this House. Those points are made over and over again. It's tough to do.

It is our view that the federal government has here a program that it just ought not to walk away from. We train apprentices in this province who travel all over Canada and whose skills are used all over Canada. In many trades, most of the apprentices leave the province in order to advance their careers. So it seems to us unfair. But leave that argument aside because the federal government's decision at this point appears to be firm.

What are we going to do in order to keep apprenticeship training as a viable, workable concept in this province? I think we have to. I mean I think we have to devise a strategy here to save it. It is impossible to imagine that our province could have a training program without having apprenticeship as a major component of it. And yet the funding problems are a great concern.

There's also a good deal of interest in the program in the sense that it hasn't been looked at for a long time. There hasn't been a general review of the program in this province, as there has been in many other provinces, and there seems to be consensus in the community that we conduct a review, that we see that a review is conducted, at least, to sort out some of the fundamental questions and see whether our apprenticeship programs can be made more modern, more relevant, more efficient.

(2215)

But one thing is clear and that's that work-based training is successful and we have to find ways in which we keep the apprenticeship approach to training alive and well in this province. But it's a difficult question and a daunting one, again one that will require a good deal of consultation with the affected community in order to work out how we can proceed with apprenticeship training in the future. And just to repeat myself, the money part of the question is one of the major questions, but only one. There are many, many others.

One thing that we are keeping our eye on throughout this whole process is the question of accessibility. It will be no answer to this problem for the universities merely to increase their tuition fees. That will be no major part of the answer at all. If you look at the level of tuition fees in this province, Mr. Speaker, you find they're right up there near the top of the scale compared with other universities, particularly in western Canada. SIAST has long prided itself, and we've all been proud of the fact, that their tuition fees are as low as they are, and we don't want that to change in any very material way. We are anxious that that question of accessibility be kept in mind by all parties to these reviews at all times.

And as I take my place, Mr. Speaker, let me state the major objective that the government has that overshadows all the

others, and that is that at the end of the day we have the highest quality post-secondary institutions that we can afford to have. We have to do the very best we can for our children, for their children, for all of the citizens of this province, and that is no light question. That is a very difficult, very challenging question, but I feel confident, as I speak tonight, that this is an objective shared by everyone, and that by working together as we are, we will find the way to accomplish that very worthy objective.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. I stand here tonight to echo the sentiments of most of the people of Saskatchewan in offering my sincere congratulations to the Minister of Finance on a job well done, especially when one considers all the restraints placed on us by the federal government, the Liberals, who are bound and determined to emasculate our national health, education, and social assistance programs. Mr. Speaker, rather than follow the lead of the Liberals in Ottawa, our government has replaced dollar for dollar all of the slashes made in health, education, and social programs.

Again the Liberals have demonstrated their willingness to attack the young, the sick, and the poor, the most vulnerable in our society. I strongly urge the MLAs on the other side to join with us and soundly condemn the Draconian cuts to the essential elements of our great province and country.

Mr. Speaker, our government has been guided by the enduring values that have stood the test of time — of community, compassion, and cooperation — values that are so representative of the people of Saskatchewan.

Mr. Speaker, the role of government in economic development is vital to our survival as a favoured province. There are simply some things that government must do that the market cannot or will not do. Rather than cross our fingers and hope everything will work out okay, as our federal Liberals and other right-wing parties do, we have identified the problems of the market and acted accordingly.

We have ensured that there are incentives in place to encourage investment in the long term. An exclusive short-term focus have left the Canadians off worse. Government's role must be to assist the people of Saskatchewan to prepare themselves to meet the challenges of a changing economy.

Governments must focus on making the market work to provide opportunities for the people of Saskatchewan. And we should ensure the work, to ensure that the people of Saskatchewan have the skills, the infrastructure support, to take advantage of these opportunities.

Mr. Speaker, governments and people need to make a serious commitment to attainable targets on income levels, unemployment rates, job creation, and sustainable economic growth. Mr. Speaker, this government will act as a partner, a motivator, and an encourager of an economic climate which

creates real opportunities for the people of Saskatchewan.

Mr. Speaker, right-wing policies have left us with a . . . left Canada with a faltering economy characterized by growing poverty, high levels of unemployment, and an ever-increasing gap between the rich and the poor.

Mr. Speaker, just a short word about the climate which is developing in our nation. There are corporations who are realizing huge profits and in the meantime laying off thousands of workers. Just a few examples — General Motors, a 36 per cent increase in profits. That's an increase, and they laid off 2,500 workers. CIBC (Canadian Imperial Bank of Commerce) — a 14 per cent increase, and they laid off over 1,000 people.

The sad part is, as the member opposite is doing, they are being applauded for this act. And of course, this is a society which we cannot put up with.

The Fraser Institute states that the only goal of corporations is to make a profit. This government strongly disagrees with this concept. Surely to goodness these corporations have some responsibility for social justice. They have a responsibility in terms of sustainable growth, skills upgrading and training, and job creation, not only for the workers, but also to ensure the long-term success of their own corporation and the economy in general. And if they are not willing to accept the responsibility, they need to be taken to task; not wined and dined as they are now.

Mr. Speaker, our government proposes a different approach; not a confrontational mode but an approach which seeks long-term solutions in partnership with business to build a dynamic economy for all the people of this province.

Mr. Speaker, Easter and spring — surely both will come soon — are associated with rebirth and regeneration; a time to celebrate new life and new hope. And this is what I feel about the provincial budget. Some things must change. By planning and carefully building on our strengths, change can be positive and exciting. Your government has responded to the priorities of Saskatchewan people and is preparing the province for the new century.

Saskatchewan people want the security that comes with jobs and opportunities. Building prosperity and creating jobs continues to be our number one priority. Our provincial economy is strong. This budget encourages further prosperity.

We are keeping our promise of lower taxes for families, targeted tax incentives for local business, and a reduction of unnecessary red tape in regulations. We are investing in job creation and growth. Up to \$238 million will be used to strengthen the agriculture and food industry. A Saskatchewan trade and export partnership centre will be created to assist businesses in exporting their products.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, regional economic development authorities will give communities greater local control over

projects in their areas. Saskatchewan people have said they want the security of knowing that vital services will be there for them, their children, and their grandchildren when the need arises. The Romanow government has made a clear commitment . . .

The Speaker: — Order, order, order. I want to remind the hon. member that he's not to use the proper names of currently sitting members of the Assembly, and I know that he recognizes he did that and I'll ask him to proceed in a parliamentary fashion.

Mr. Wall: — Mr. Speaker, we will defend and protect health, education, and social programs. This includes protecting essential services from the impact of those federal cuts. This year the Liberals in Ottawa are cutting \$114 million from health, education, and social programs in Saskatchewan alone. In three years we will lose over \$250 million. The very programs that are the most important are the ones that the Liberals in Ottawa have cut the most. Seventy-three per cent of all the cuts made by the federal government are coming out of vital services like health, education, and social services. We disagree with that approach and say that social programs should be protected.

Your provincial government is providing \$110 million of new funding this year to back-fill what Ottawa has taken away. In order to protect essential services for the future, government must find ways to deliver existing services more effectively. We have shielded our partners in education and local government from major cuts for this year, but we must all work to reduce costs and become more effective.

Mr. Speaker, the provincial budget is about change and the freedom to deal with change according to our Saskatchewan values. We look forward to the 21st century with a sense of confidence and security. Saskatchewan will remain the best place in the world. Mr. Speaker, I am proud to support this budget which protects the citizens of Saskatchewan and I will certainly support the motion at the proper time.

Some Hon. Members: Hear, hear!

The Assembly adjourned at 10:30 p.m.

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