

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, the proposed amendment thereto moved by Mr. Gantfoer, and the proposed subamendment thereto moved by Mr. Boyd.

Mr. Van Mulligen: — Was that it, Mr. Speaker? No further amendments or subamendments or amendments to the subamendments? Those are a lot of words and some great potential detours on the way to the basic question that faces us in this debate, and that is, do we reduce the debt? Yes. Do we enhance programs and services? Yes. And do the people of Saskatchewan want a 7 per cent sales tax as opposed to a 9 per cent sales tax? Yes. But the opposition would deter us. They would meander around. They would muddy the waters. They want to criticize the government for providing a substantial cut in their taxes and for improving their services and programs, Mr. Speaker.

Mr. Speaker, before we recessed at 5 o'clock, we were discussing two of the great flimflams in Saskatchewan political history. One of those flimflams occurred in 1986-87, in the budget of that year. That was when the then PC (Progressive Conservatives) Finance minister said that there would be approximately a \$300 million deficit in the budget that year. A few months later, he pointed out and agreed that the deficit would increase to \$500 million or thereabouts and assured us that there would be no variation and no departure from that — only to find out that at the end of the fiscal year the actual deficit was \$1.2 billion. That's one of the great flimflams.

The other great flimflam that I was speaking about shortly before we recessed was the lack of disclosure by the Liberal Party opposite that Saskatchewan taxpayers are going to get dinged with a bill of approximately \$250 million immediately after the 1995 provincial election.

And like their Conservative brothers, they decided to withhold information and deny the truth to Saskatchewan people, as opposed to letting us know that the Federal government was planning to cut back equalization payments and to make up for changes in equalization policy to the tune of about \$250 million. They decided to not let Saskatchewan people know, to let us go through that election campaign when that knowledge might have had a major bearing on how people viewed various political parties and especially the Liberal Party. They decided to withhold that information from the taxpayers of Saskatchewan. In that way, they acted no differently than Gary Lane, no differently than the PCs before them. I say, shame on them, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Mr. Speaker, it's a real pleasure for me to, as I stated at the outset, to participate in this debate on the budget. This budget contains a great deal of good news.

And I won't go through all of the details of what is proposed or included in the budget. I think that if people want that kind of information, they should not hesitate to phone their member of the legislature, whether it's a member on the NDP side or a member from the Liberal benches or the PC benches. I think any of the members would be happy to oblige and to provide those constituents with the details that they ask for. And I have no hesitation in saying that, that members will provide that, Mr. Speaker.

But I do want to talk about the essential ingredients of the budget, and that is to me that it's a balanced budget. It's balanced in the sense that it provides funds not only for reducing the debt, not only for reducing taxes, but also funds for improving services and programs, Mr. Speaker. That is the essential component of the fiscal policy that we put before Saskatchewan people — and that is, a sense of balance in what it is that we propose to do.

We say that funds should be allocated roughly in thirds when we do have the funds. As we stated in 1995, when we first gave thought to potential surpluses as opposed to dealing with deficits in our budgets, we began to deal seriously with the question of what should we be doing if we run surpluses. That is to say, if more tax money comes in or more revenue comes in than we propose to spend, then what is it that the Saskatchewan government should be doing with those additional funds?

And we said that there needed to be balance in dealing with those surpluses — that is to say, that roughly one third of those funds should be allocated to improve services and programs. Governments change and times change, and the services and programs that we provide, while requiring reforms and while requiring re-balance and reconfiguration, from time to time also we should be investing in important priorities.

And one of the important priorities that we have determined is that there should be funds allocated, as an example, in programs that benefit poor children. For a number of reasons, but primarily because children who are poor don't seem to have the same opportunities in the education system.

We find that poor children are far more apt to — either as children or later as adults — to become consumers of the health care system because they were neglected during their youth. So that we think, and as do many other governments in Canada think, that investing in poor children is a good priority for government. So that's why, when we do have additional funds, we need to prioritize those funds and to allocate funds for those priorities.

And so that one of the ways that we think we should deal with surpluses is to put roughly a third of the surpluses that we experience into enhancing programs and services, and we're

doing that. Not only are we investing more in programs that are aimed at children, we're also investing more in the areas of education.

We're also investing more, and I think significantly more — I think \$56 million more — in the area of health care. Those are important priorities for us, Mr. Speaker, and those are areas where we feel more funds are allocated so that those areas and the programs can be carried on, and to provide ultimate benefit for the people of Saskatchewan.

And we feel that roughly one third of the surpluses should go towards improving services and programs. We also feel that a third of surpluses should be used to reduce taxes. Okay. And this we've done in the budget. We're proposing to reduce the provincial sales tax from 9 per cent to 7 per cent.

There are also a number of other tax measures, particular tax measures, aimed at stimulating economic development measures in the province. I think that there's one measure that deals that if you're involved in manufacturing and processing, whereas in the past we've written off the sales tax on new equipment and plant expansions that manufacture and process products for export sales, we say that now if you buy used equipment we'll also reduce or take away the sales tax on that particular part of your input costs.

And there are other measures, I believe. I think one is aimed at the hog industry as a means of stimulating the expansion of the hog industry.

So there are a number of tax measures. And roughly speaking, about one third of the surplus funds that we have, that is to say one third of the funds in excess of what we need to run the government, we propose to put towards reducing taxes.

The other third we propose to put towards reducing debt. And we feel that's an important and necessary and fundamental policy initiative; that we cannot just deal with the questions that face us today; that we need to put money away to reduce the debt burden for future generations because, who knows, they may be in a worse position than we are today, in a worse position than we are today to be able to deal with the choices that they have to make in terms of taxes and spending and programs and the like.

And then there's some suggestion that the demographics of Saskatchewan suggest that it will be more difficult for future generations to in fact find the revenues and allocate those revenues to the priority areas. And there's some suggestion that in terms of the kind of population growth, a very fast increase in the number of senior citizens in Saskatchewan, relative to the rest of the population.

So we feel that it's important and that it's morally right, if you like, to put funds to reducing debt so that the debt then, and the interest we pay on that debt, becomes less of a burden in the future. There's some that would advocate that perhaps even more — and that there should be an unbalanced approach — and that even more funds should be used to reduce the debt that we have. Because the more you reduce debt, the more you

reduce interest payments. And ultimately the greater financial flexibility, the greater the financial freedom that Saskatchewan people will enjoy, Mr. Speaker.

But the essential and fundamental question that faces Saskatchewan is the question of, how much of the surplus money that you have should be allocated towards debt; how much of it should be allocated towards enhancing programs and services and how much of it should be allocated towards reducing taxes?

Now we've taken a stand on this. We said, as early as 1995 when we began to contemplate the issue, that we felt that we should deal with this matter roughly in thirds and balance it in that way.

But we have yet to hear from the opposition parties to say that this is the wrong mix; that this is the wrong allocation; that you should be putting more into debt reduction; that you should be putting more into tax reduction; that you should take more of the surplus monies and put it into improving services and programs.

They are very silent on that basic, fundamental question, Mr. Speaker, that faces Saskatchewan people and that faces the government, and I think that faces all of us who are interested in public administration in the province of Saskatchewan. But that is the fundamental question. And that is the question that faces you the same as it faces us: how much of the surpluses that we forecast should be going to reduce taxes? How much of the surpluses should be used to enhance programs and services, and how much to reduce debt?

Because I tell you, you can find advocate for any point of view. Okay? The Conservative Party would, for example, advocate that all of these surpluses should be used to reduce taxes. Tories don't talk very much about putting new money into services and programs. These are not people who stand up as a matter of course and say it's our priority to find funds to improve services for poor children in Saskatchewan or to find more money and to allocate it towards children in poverty. They don't talk about that kind of thing.

Oh yes, they complain the odd time about a road in their area not being looked after, or they've got some particular concern and say the government should put more money into it. But that's not a big deal with them. Okay? If you listen to them, and as I listen to the opposition leader today, and I must assume that he speaks for them because he's their leader, which brings up the question of who speaks for the Liberals, but that's another question, Mr. Speaker. But the Conservative leader . . .

An Hon. Member: — You're just jealous because you'll never get there.

(1915)

Mr. Van Mulligen: — Well the member is absolutely correct that I will never get to be the leader of the Liberal Party in Saskatchewan. Never wanted to be, never will be, don't care about that, Mr. Speaker.

Mr. Speaker, the Conservative leader was quite clear today in his response to the Speech from the Throne. And I have to assume that to some extent, or I think to a very full extent, he speaks for all of the members of the Conservative Party. And the Conservative member that followed him, to some extent echoed what the Conservative leader was saying. And he started off talking about taxes; he ended up talking about taxes, and almost all of the comments that he had to make had to do with taxes and reducing taxes.

So we can assume from that, even if the Conservative leader doesn't want to deal with the fundamental question of where it is that that fund should be allocated when given those three priorities, and those are the essential three areas — those are the essential three areas . . . I mean there's really no place else to spend the money. You know, you'll either take the extra money you have to reduce your debt, you take it to reduce taxes, or you take it to enhance services and programs. But we don't hear him talking about the interplay among the three; we simply hear him talk about taxes, taxes, taxes, and nothing else.

So we can assume from what the Conservative leader is saying, we can assume from what he is saying that they would not favour the approach that we have taken. That is to say, for every \$100 in surplus, that we put 33 of those dollars towards debt, 33 to improving services and programs, and 33 to tax cuts. The Conservatives would take all of the \$100 and use it to reduce taxes. That is their approach, and I respect that. Even though they don't say that, that is something that we can deduce or that is something that we can glean from the comments that Conservative members make.

And that's fair enough; that's their position. I might take exception with that though. I would have thought, I would have thought, given the role that Conservatives have played in Saskatchewan — and it's a very significant role I might add — in the ballooning debt burden faced by Saskatchewan people, in the massive debt burden faced by Saskatchewan people, that the Tories might as a matter of priority say that any funds we should have should be used to reduce debt, but then . . . (inaudible interjection) . . . their debt. But then I'm not one who really expects a great deal of responsibility from the Conservatives, Mr. Speaker. They demonstrated scant acquaintance with that concept in the past, and I don't expect much responsibility from them these days.

Mr. Speaker, when it comes to the Liberals I get a much muddier picture. On the one hand, the Liberals stand up and complain at length about the high tax load in Saskatchewan. The member from Melville earlier today went on very, very . . . at great length about how the taxes were higher now than when you took office, and listed 690 million or whatever the figure is, listed all these measures and so on.

And I for one readily concede that we have increased taxes. I for one readily concede that taxes are probably too high. But I feel that these are things that should be dealt with in a responsible way.

But the member, without really saying there should be further cuts in taxes, because I haven't heard that from the Liberal

Party this time around, they still try to send out this message or give this impression that they favour further tax cuts. Certainly in the last provincial election when they ran they said that they would reduce the provincial sales tax from 9 per cent to 5 per cent. And putting aside the ridiculousness of that particular proposal and that notion, Mr. Speaker, nevertheless I guess we have to accept that as their last sort of policy statement on it, as a statement of their policy, that they would favour a further reduction in taxes.

But the Liberals are not satisfied with that. To listen to their remarks, to analyse what it is they're saying, their major concern is that more funds should be expended in areas that are of concern to them.

They say you should put more money into municipalities, more money into health, more money into education, more money into roads — just about anything that you can name. The members are saying, what you're doing is not enough, and you should take more of the surplus monies that you have and put that into increased spending.

So I assume from the Liberal approach . . . and I might add that not one of their speakers, as with the Conservative speakers, has ever had the word "debt" cross their lips on this particular topic — not once. Not once have they taken a position that, you know, that it's better public policy to take the surplus funds we have now, to use it to reduce debt and thereby provide for greater flexibility for future generations in dealing with the choices that they have to make, recognizing that they may have to make more difficult choices than we are making today. Not once have they said that that's an issue for them.

So I have to assume that when the Liberals say, spend more money, they're also saying, don't put as much money towards reducing debt. And I take the position, in the context of Saskatchewan, that is irresponsible public policy, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — I think it's grossly irresponsible. I think only a responsible government would make sure that funds are being used and steps are being taken, in addition to actually putting cash down, to reduce debt; take additional steps to, for example, reduce debt liabilities that we have, because that is a responsible course of action.

And for that party, in talking solely about find more money for this, find more money for that, find more money, you name it — I've got a long checklist here, you know — you find more money for that, they're essentially saying and we don't really care if you put any money down on debt.

But that's the essential question for Saskatchewan people to judge. And that's a question that I feel that they can't ask their member of the Legislative Assembly. Where do you stand in that fundamental question? Where do you stand on the issue of putting money down to reduce debt, on reducing taxes, and program enhancement and services? Because if you go out to your constituents, and your constituents ask you — ask you as Liberal members, where do you stand — and then you say, well

we agree with all of those, but then come here to the Chamber and say, but you should be spending more money, well then something else has got to suffer.

You can't sort of advocate more spending in one area without it having an impact on some other area unless you've got some new, hare-brained scheme like you had in the 1995 election, about how you create additional revenues.

An Hon. Member: — Well they're good at that.

Mr. Van Mulligen: — Well they're good at hare-brained schemes, I agree. I certainly agree with the member when he says that. But not one — not one, Mr. Speaker — has talked about debt reduction. They're silent on this. And I think that's a major shortcoming, and I really would encourage people of Saskatchewan to ask their member of the Legislative Assembly where they stand on that fundamental question, because that is a fundamental question — a basic question. You can quibble about the details, as to once you've decided you're going to spend a third on enhancing services and programs, you can quibble about how much of that should go into education, how much of that should go into health, or how much of that should go into highways and transportation.

But you can't continue, as a matter of believable public policy, continue to espouse that you should be putting all your efforts into one area and somehow seem to indicate that it won't have any implications elsewhere. Because it will.

Now I might say as an aside, Mr. Speaker, that I find it very difficult to understand, as will the people of Saskatchewan, that the Liberals, in their major criticism of the budget speech, are saying to us that you're not putting enough money into priority areas such as health, education, and the like and that you should be taking even more money wherever you find it from, whether that means putting less into debt reduction or perhaps even running deficits. They say that you should find additional funds and put those into spending more in those areas. And that's what they're advising us as a provincial government to do. By the same token, they say to their colleagues in Ottawa, we support you in cutting back on health care. So I can't figure out — and I have some difficulty understanding — just what the position of the Liberal Party is.

Now the Conservatives, to their credit, can, and sometimes are consistent in these things. They say, we favour tax cuts. We're not necessarily as concerned about putting money into priority areas. We favour tax cuts.

We don't find the Conservatives spending a lot of their time arguing for improvements in services and programs or the government should be spending more, right. But the Liberals, the Liberals in the one day will say, we agree with what you're doing in Ottawa to cut back on health and social services. We agree with you. In fact we applaud you and we support you. That's one day.

The next day, or even the same day, and the next speaker, or maybe even the same speaker, will say, but when the provincial government doesn't put in enough money, we're going to

criticize you to put even more money in.

So you know, I can't figure it out, Mr. Speaker. It's when Ralph Goodale and their brothers and sisters in Ottawa cut, they say we support that, we think that's necessary, we approve of that. We agree with what the federal government is doing in cutting funds for health care. We agree with what the Liberal government is doing in cutting funds for education. We agree what the Liberal government is doing in cutting funds for social services. We agree with what the Liberal government in Ottawa is doing and we agree with the impact it's having on Saskatchewan. That's what they're saying. But the next day they say, you're not spending enough.

Well a wise person once told me, Mr. Speaker, none of this had to be logical and now I believe him and now I understand what it is that they're saying, Mr. Speaker. They approve — they applaud — the cuts in health care by the Liberal government in Ottawa. They agree, and they're prepared to defend the kind of impact it has on vital services in the area of health, education, and social services here in the province of Saskatchewan.

Who is it, the member for North Battleford himself, who said we had to have some understanding of the difficult choices being faced by the federal government and therefore, you know, by definition, we should support their cuts to health care.

So which is it? We're somewhat confused on this side. Do you want to cut health care or do you want to improve health care? Which is it?

And you know, all I can say, at some point the people of Saskatchewan and the people in your constituencies are going to ask you that question, and at that point, you've got to have an answer for them, Mr. Speaker. Maybe you can skate around at this point, but I don't think that you can do that for ever.

But, Mr. Speaker, we're not very clear about the Liberal fiscal policy. We don't know whether it's to spend more and borrow the money to make ends meet.

An Hon. Member: — Nor do they.

(1930)

Mr. Van Mulligen: — And a member says, nor do they. And I guess they don't. I guess they feel that you can simply skate along and criticize and not offer any sort of realistic analysis of Saskatchewan's finances and hope to somehow luck into office.

Well, Mr. Speaker, that's not going to cut it any more in Saskatchewan, that's not going to cut it anymore with Saskatchewan people. Saskatchewan people have been burned and they've been burned bad by the PC administrations of the past. They will not for a moment — they will not for a moment — contemplate giving their support to some political party that doesn't have a realistic analysis and a realistic appraisal of Saskatchewan finances. And I must say, based on what I've heard from you people so far, there is nothing very realistic about the Liberal Party in Saskatchewan.

Now the Progressive Conservative Party, as I mentioned earlier, made it clear that taxes is their major concern. And their leader even went so far as to say that he might vote for, vote for the budget, which — as I understand it — would be a precedent in Saskatchewan history, although not a precedent necessarily in Canada. There was a time, I believe, in the early 1970s when a PC opposition voted with the Schreyer NDP (New Democratic Party) government of the day because they believed that the budget that the Schreyer government was bringing in was the right budget and were prepared to vote for it.

But the Liberal leader here is saying that he may create such a precedent here in Saskatchewan although . . . but I do find that he's starting to hedge a little bit on this. I wasn't quite clear whether he was saying, yes I'm going to vote for the budget but only if you vote for my amendment to the budget. I'm not quite clear on that. Then he says, I don't think it'll be us as a Conservative Party that will be voting for the budget. We're going to vote as individuals for the budget, and we're going to have freedom for the members to vote as they please. It will be a free vote of our members to vote for the budget, Mr. Speaker.

Now that by itself is . . . you know, I've talked in the past about how the Conservative Party always seems to find fault with just about anything and everything we do in Canada, and seems to find favour with just about anything and everything American. If it's American, they love it. If it's Canadian, it's bad. And here they go again.

Here we have a parliamentary system, a parliamentary system which arguably and according to many observers, is probably the best form of democracy in the world — the best. But here go the Conservatives saying, well the parliamentary system is not good enough. We'd like to bring in a number of Americanisms. Instead of there being a clear choice for the people about the government's financial plans for the coming year in the way of a budget, and where it's clear that the government stands, and the members come together and they vote for it to make it clear to the public so that there's no confusion; they now say, well we would have free votes on these things.

They would have free votes, which is the American way to go. And that of course sets the stage for people trying to exert influences on individual members about what should be in the budget, or what changes might be made to the budget, or what particular interest groups might see a benefit in the way of the budget, or what interest groups don't want to see in the way of the budget. To my mind it opens the system for that kind of influence — the kind of influence that I submit has brought the American system into disrepute, and makes people want to hold their noses to a very great extent about the American system. But the Conservatives say, we'd prefer the American way. All I can say, Mr. Speaker, that it's the wrong way to go.

Mr. Speaker, again I think that the Conservatives should rethink their taxes-or-nothing approach. I really think that they should speak out on questions of debt. I really believe as a matter, not only of public policy but if for no other reason than to recognize the legacy that they've left for Saskatchewan people, that they should be encouraging government. They should be

encouraging those entrusted with the responsibility of the expenditure and funds in this province to ensure that sufficient funds are set aside to not only reduce taxes but also to reduce debt. Because the debt reduction is important for future generations.

And we need to have more than simply a wall of silence from the Conservative Party on that particular topic. If there is any group — any group — in Saskatchewan that should be talking, not about cutting taxes but about cutting the debt, it's the PC Party of Saskatchewan, Mr. Speaker.

Mr. Speaker, I was also struck by the comments of the Leader of the PC Party, where he went on at great length about the tax regime in Saskatchewan versus the tax regime in Alberta. And he went on at some length to compare Saskatchewan with Alberta, and if only we were more like Alberta, Saskatchewan would be in far better shape than we are now; that somehow the economy would be improving more; there would be more jobs forthcoming — all kinds of things if we acted more like Alberta.

But now the Liberal leader didn't mention two things that Saskatchewan people know, and I don't think that he's being quite forthcoming with Saskatchewan people by not pointing them out. And those are two words: one is oil and the other is Devine. Okay?

He doesn't point out that Saskatchewan has significantly far more oil revenues than we'll ever realize, and natural resource revenues, all put together. And that this gives Alberta a tremendous advantage compared to all other provinces, and which is why Alberta is the only province in Canada to not have a sales tax.

This is not the result of good public administration. This is not the result of outstanding fiscal policy on the part of the Alberta government. No. The fact they don't have a sales tax is a result of a number of other choices they've made. And also, no amount of good fortune because of the resources they have. If we had their oil revenues, in relative terms, I suspect that we could do away with the sales tax tomorrow just like that; no problem at all.

I also suspect that if we decided to have a health care premium, which they have in Alberta, that we could probably reduce the sales tax significantly, could probably cut it in half again, right? We could probably have a 3 per cent sales tax or no sales tax at all if we decided to impose a health care premium like they have in Alberta. Now if people say, well that's not really a tax, but it is a tax. Every person in Alberta has to pay it. It's a tax. It's a head tax. And it's a very big tax. It's in excess of \$800 a year for a family. That's a lot of sales tax dollars, Mr. Speaker.

So he doesn't point that out, and I think the Conservative leader is — how should I put it? — less than forthcoming by not disclosing those kinds of things. And it's almost like he likes Alberta better than he likes Saskatchewan. He's trying to make unfavourable comparisons between Saskatchewan and Alberta. He doesn't provide the full picture. I think that's unfair. To me, I have a real question about where does his heart lie, Mr.

Speaker.

But you know the other thing he didn't point out and is significant . . . and I would venture to say that if Alberta had had Grant Devine as their premier during the '80s and we hadn't had Grant Devine as premier during the 1980s, we'd be in a lot better shape today now too.

Some Hon. Members: Hear, hear!

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

Mr. Trew: — Mr. Speaker, to beg for leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Trew: — I thank you, Mr. Speaker, and I thank all of my colleagues in the legislature.

Mr. Speaker, through you and to everyone here, I'd like to introduce 10 Cubs from the 64th Cubs out in the north end of Regina. Accompanying the 10 Cubs in your gallery, Mr. Speaker, is Marilyn Pollock, who is Akela or leader, Laura Grant, Rakasha, and James Holt, Baloo. It will be my pleasure to meet with this group in a few minutes for pictures and then later on question-and-answer period. I ask all members of the legislature to join me in welcoming the 64th Cubs.

Hon. Members: Hear, hear!

The Deputy Speaker: — Why is the member on her feet?

Hon. Ms. Crofford: — With leave, to introduce guests, Mr. Speaker.

Leave granted.

Hon. Ms. Crofford: — I think I'm going to ask my guests to stand up, the 1st Regina Girl Guides, because they're behind the clock, and you can't see them very well over there. Do you guys want to stand up? Now they're accompanied tonight by Katherine Gray-Owen and Deborah Gray-Owen, and they're having a tour of the legislature and then we're going to get together for a photo. I think we'll have to fight for room on the steps there with Kim's group, but I think we can manage that, and then we'll get together for a short little visit after. So I would like everybody to join me in welcoming them to the legislature tonight.

Hon. Members: Hear, hear!

SPECIAL ORDER

ADJOURNED DEBATES

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

Mr. Van Mulligen: — Mr. Speaker, to say that the PCs have a rather curious approach to the whole concept of fiscal policy is, I think, an understatement, Mr. Speaker. Now this is the group who had a leader, who had a leader by the name of Grant Devine, and who in a moment of lucidity, in a moment of clear thinking, said that deficits, that is borrowing to make ends meet, is no more than deferred taxes. The point being that if you borrow today, at some point you're going to have to pay it back.

The real tragic thing for Saskatchewan people is that they could never quite figure out when it is that they had to start paying back, and they kept borrowing and borrowing and borrowing, Mr. Speaker.

It's also funny that when you hear the Liberal or the Conservative leader call for cuts in taxes — non-ending, without pause — and that's the only issue that they have on the agenda, that he wouldn't have remembered the words of his former leader. That you're the people that decided to defer paying the taxes. That you're the people who kept the deficits coming. And I guess we have to ask at some point: at what point did you think that you could quit deferring taxes too? Or is this another one of your irresponsible considerations, that you can just keep spending, keep borrowing without there ever being a tomorrow and without there ever . . . or without ever having to account for that, Mr. Speaker?

Mr. Speaker, we know where the Conservatives stand. The Conservative leader was quite clear. He said that we've got to cut taxes — cut, cut, cut to create, in his words, a positive business climate and then get out of the way. Well get out of the way of what? Child poverty? Get out of the way of what? Funding for health care? Get out of the way of what? Reducing the debt? Should be clearer on these things, Mr. Speaker.

Mr. Speaker, this whole business of the tax cuts in the budget is, I would submit, going to create an interesting little conundrum for the Conservative Party especially, and for the Liberal Party, inasmuch as in the last provincial election, they too advocated major tax cuts. And when you listen to their rhetoric, when you listen to their rhetoric, which in support of tax cuts the rhetoric always goes this way — cut the taxes. Cut the taxes, and by cutting the taxes, you will create such an economic stimulus that the economic stimulus will create more jobs and create more economic activity and will create even more revenue to make up for any revenue that you might lose by cutting the taxes in the first place.

Does that sum it up? Is that the PC and Liberal approach to tax cuts? Isn't that the argument that they always use in promoting tax cuts? Isn't that what the Liberal Party said in 1995? They said, well if we cut the provincial sales tax — they said in that election — if we cut the provincial sales tax from 9 per cent to 5 per cent, which is what you said you wanted to do, we'll create such an economic boom, such an economic boom in Saskatchewan, that that boom will create more jobs. More people will be spending. More people will be going out to buy things, and even though the sales tax is less, they'll be buying so much more. So many more jobs will be created, so many more jobs will be created that even more revenue will come

back to the government to make up for the revenue that they lost in the first place.

Isn't that what you said in 1995? Well that's what you said. Well we said we should reduce the charges on people. But the Conservative Party, the Conservative Party also says the same thing. Their major priority in the tax cut is to increase economic activity. That's what you say.

(1945)

Now none of us are opposed to economic activity. But we've said that we would reduce taxes in a balanced way. That when we had the money, we would do it when we could sustain the tax cut, when it was affordable, when we were assured that the revenues would always be there from other sources to support the tax cut. Now you take the position, you take the position it doesn't matter, it doesn't matter. You can just blindly cut the taxes, you can blindly cut the taxes because when you do it'll create such economic activity that even more money will be flowing into the provincial coffers. So now the question is, what will happen here as a result of the cut in the sales tax which has been announced in the budget and which has now gone into effect.

I submit to you it causes an interesting little conundrum. Now we hope that the tax cut will also create jobs. We hope that the tax cut will also be good for economic activity. But our major priority is to reduce the tax burden on Saskatchewan families. That's our priority, and we do it in a sustainable and affordable way.

But you people say you can have tax cuts every day. So what happens if this tax cut doesn't generate a like amount of revenues or the level of economic activity that you suggest? My suggestion is you're going to find it very difficult to peddle tax cuts to the Saskatchewan public without clearly identifying where the revenues will come from to make up for the revenues you lose as a result of the tax cuts.

No more hocus-pocus, no more going to the public and saying tax cut, close your eyes. Trust us; everything is going to work out. No more of that. That's what I submit, Mr. Speaker . . . (inaudible interjection) . . . No economic stimulation indeed. Well, Mr. Speaker, I think the Saskatchewan public is . . . After this tax cut, I think there will be some economic uptake as a result of this but probably not as much as you in the right wing happen to believe that tax cuts will create.

I think it was the *Leader-Post* that ran some kind of a poll today. And they asked the people, will you go out and spend more money as a result of the cut in the sales tax. Overwhelming the majority said no; it won't cause us to spend any more money. For all I know, they're going to take that money and go on vacations out of the province, without there being any benefit to the Saskatchewan economy. But it doesn't matter to us.

We said that the priority here is to reduce the burden on Saskatchewan families; that's our priority. If it creates economic activity in addition to that, that's fine. But if it

doesn't, we know that we can afford it. We know that we can sustain it from other revenues — unlike you people who say, irresponsibly, cut taxes and don't worry about a thing. I think you're not going to make that position or take that position ever again with the Saskatchewan people, Mr. Speaker.

Mr. Speaker, I want to wrap up on the question of the stabilization funds. There was criticism today by, I believe, the former leader of the Liberal Party, the member from Melville, about the Saskatchewan government, about the government casting the Liquor and Gaming Authority fund, the profits in that fund, as a stabilization fund to use to stabilize various budgets. Now they make these criticisms after reading a press report, I believe, by the Provincial Auditor, who I understand has criticized the government for the idea that we would seek to have funds or monies put aside in a fund to stabilize budgets during successive years.

Let me tell you that from my point of view and from the point of view of most economists in Saskatchewan, nothing could be wiser than the Saskatchewan government having some sort of stabilization fund. Why? Because Saskatchewan, probably more so than any other jurisdiction in Canada, is subject to cycles in the economy. We are to a very great degree dependent on world markets for commodities, commodities such as oil and commodities such as grain. When those prices fall, it impacts on the Saskatchewan economy and it impacts on Saskatchewan finances. So it makes a great deal of sense to have some sort of stabilization measure in place.

We could have a drought this year, we could have a drought this year and the average revenues that we project to come in from the agricultural sector may be way off. Maybe even no revenues will come in. And it's at times like that, that I think that it's sound public policy, it's good public administration, to have some kind of a stabilization reserve so that one year you don't have a huge surplus, the next year you decide to run a deficit, but that you have the money there to stabilize the spending on programs and services. You have the funds there to be able to sustain tax cuts that you've initiated. You have the funds there to carry through with your plan to reduce debt.

I think that's sound public policy. I think that's progressive public administration in Saskatchewan.

That the Provincial Auditor would take a different point of view, that is the prerogative of the Provincial Auditor, Mr. Speaker. And I would not dare to question what it is that the auditor is saying. But all I can say is from a policy point of view, it's good public policy and it's good public administration to have some form of stabilization reserve so that the budgets don't immediately reflect drastic downturns in the provincial economy, as can happen here in Saskatchewan, Mr. Speaker.

So I just want to say that I support, I support, I support the coming out of the closet of the Liquor and Gaming Authority funds and clearly set down as a stabilization fund. I welcome that.

Every government in Saskatchewan — Liberal, Conservative,

NDP — successive governments have used the funds in the . . . the profits from first the Liquor Board and now the Liquor and Gaming Authority, set them aside as a form of stabilization — always been the case. Ross Thatcher did it, Allan Blakeney did it, Tommy Douglas did it, Grant Devine did it, and the current administration is doing it, with one exception. The current administration is being a little bit more open and forthcoming about how it is that we plan to use the funds in the Liquor and Gaming Authority, Mr. Speaker, and I welcome that. I think that's a . . . I think that's a prudent move and I think it's a good move of public policy.

Mr. Speaker, I am very proud to support this budget. I think that it's a great budget. I support the initiatives. I think it strikes the right balance. It's a fair budget, Mr. Speaker. I might say personally that I'm proudest of the money that will be going to support programs for children in poverty in Saskatchewan. I think that's the real priority area that all members of the Legislative Assembly need to spend their time on.

And without any further comment, Mr. Speaker, I would say that I am going to support the main motion. I certainly will not be supporting any amendments to the motion. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, it's a pleasure to enter into the debate on the budget address for 1997.

I'd like to make some comments about the budget in general and then I guess make some specific reference to some of the sections around education and post-secondary education. But after listening to the member from Regina Victoria . . . And I know that he probably was hoping for an award tonight, being that the Oscars are on, but I'm sure that he's been passed over and indeed the people that were probably watching the legislative channel have now switched to the Oscars. I hope that the remaining audience will stay in tune for at least a few things.

It's also interesting to note the perspective of the different speakers who have been up, Mr. Deputy Speaker, to how they perceive what a budget is. And I know that the member for Regina Victoria has been part of municipal government. He's been involved with planning budgets over the years for the city of Regina and now of course the provincial government. And I guess I've always looked at a budget as something that you estimate what your revenues will be for a period of time — a year — and then you look at your expenditures and try to balance.

I note that we've had some surplus in the last couple years. And it's interesting to note that the member for Regina Victoria spent a lot of time debating the issue as to what should be done with the surplus.

And if we take a quick look at last year's budget, and of course the forecast for 1996-97, we see that the projection is for a \$368 million surplus. Well, we are very well aware that of course

\$364.7 million of that surplus came from the sale of Cameco shares. So if we take that out, the budget for last year, the surplus budget for operating was a large \$4.2 million.

The Finance minister has put together the budget for this coming year and we see a balance of \$24 million. Now he talks about splitting a third and a third and a third, and then wondering where the position is of the taxpayers and how very important this is. Well when we're looking at splitting \$4 million from last year, Mr. Deputy Speaker, I don't think you need to spend as quite as large amount of time as did the member for Regina Victoria.

The other thing that's interesting, of course, is that we hear from the auditor that indeed we're only seeing about 60 per cent of the picture. That indeed 40 per cent of the picture is tied up in the Crowns. And as an audience, as an opposition, the taxpayers in the province never get to see that other 40 per cent and it's difficult to analyse the entire financial picture of the province without knowing everything.

So when we take a look at the position of the members opposite, it's interesting to note the comments of the Premier in the last couple of days. And the Premier made these comments last week in response to some discussion around the budget. And this is a quote, and he says in reference to, of course, the PC policies of tax cuts in the '80s. He said:

You'll remember how your taxation policies were: you put a tax on lotteries, then you took it off and you said there's a tax break. You put a tax on used cars, then you took it off and you said there was a tax break.

That's a quotation of the Premier not more than a week ago.

My question, Mr. Deputy Speaker, is we had a 7 per cent tax rate. This government put it up to 9 per cent, and now we're back down to 7 per cent, and this is a tax break, Mr. Deputy Speaker. They weren't tax breaks in the 1980s but they're now tax breaks.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — It's interesting to see how that perspective has changed by the Premier over these last 10 years.

When we take a look at the overall budget, Mr. Speaker, and I know that after five years or six years of excessive fees and large tax increases, utility rate increases, people have been looking for a break. No question. They've been looking for a break and they were hoping that this break was there, more than just the 2 per cent sales tax, Mr. Deputy Speaker.

It's interesting to note that the 2 per cent sales tax reduction was probably quite unexpected. I hear of great confusion in terms of retail stores, in terms of trying to get someone in to change the cash registers to enable that procedure to work, well after midnight.

And I'd be also interested to know as to the large purchases that people make, especially the members of the government

benches opposite. I wonder how many government members bought a brand-new car in the last, oh let's say, two months, and wonder about whether or not they invested the additional 2 per cent in sales tax.

One of the largest groups, Mr. Speaker, that don't find this budget very, very accommodating is indeed the local governments represented by municipal government, both urban and rural, and the school boards.

We take a look at revenue sharing, Mr. Deputy Speaker. Revenue sharing has been going down successively year after year after year. We have a form of downloading, no question. Thirty million dollars, I understand, is being cut from revenue sharing to the urban and rural councils for this year. They have to deal with that situation, Mr. Deputy Speaker. They're struggling with their infrastructure; they're struggling with making ends meet.

And I'd like to share a couple of quotations from some of the people in my constituency. This is the mayor of Preeceville, Mayor Gary Sawatzky, and he makes this comment. He said:

Yes, there will be a consumer who will be left with \$30 in his pocket, but you come back to him, (this is a quotation) but you come back to him and say, by the way, we're raising your taxes 3 mills or more to compensate for the revenue-sharing grant cuts.

(2000)

That's the quotation from the mayor of Preeceville. That's how he views what has happened in terms of revenue sharing. A further comment from the same mayor. He says:

The revenue-sharing cut for 1997 will trigger our local taxes to increase, thereby making it impossible to maintain revenue-neutral budgets during the legislated property assessment revelations. The local taxpayers will have enough problems dealing with managing the local shifts under the reassessment without any added provincial cut-backs.

So you see, there's a different perspective out there, Mr. Deputy Speaker, in terms of what the 2 per cent will really mean. Yes, there will be some savings to every one of us and that has been looked forward to for many, many years. But on the other side, when we take a look at the hits that the urban municipal governments have taken, the rural municipal governments, the school boards — there will be tax increases. We're hearing that all across the province. And that tax increase is going to eat up any bit of savings that these people incur.

Mr. Deputy Speaker, I'd like to also relate a few of the things that I see happening in the province — things that I see as positive. First of all, let's take a look at what has occurred in 1996. We had a very good year as far as agriculture. Commodity prices were up last year. Farmers were looking forward to large harvests. And as you know, Mr. Deputy Speaker, indeed what can happen when the weather turns nasty. We still have farmers out there that have crop under the snow.

There are farmers that have been dealing with trying to dry grain throughout the entire winter. They've lost a lot of their product because it is heated and burned on them before they've had a chance to get it dried. And on the other side, of course, they've eaten up a lot of their expected profits because of the large costs of additional trucking, additional costs for drying the grain. All of these things have hurt that agriculture economy.

The other problem, Mr. Deputy Speaker, of course is that we see that the price of grain is not as good for this coming year. And indeed farmers are concerned about higher taxes, incurring additional costs for reassessment. All of those other things that farmers worry about may prove to be true in this next year.

One of the other things that I think I've heard from some farmers, that they're very pleased with, is that indeed there seems to be a program in place now that will deal with the unexpected catastrophe in this province for farmers. And that's the coverage for up to 50 per cent.

But I might add, Mr. Deputy Speaker, that this program that has come about is as a direct result of a very strong influence by the federal government. A program put together by the federal and provincial government, where indeed the first costs for a 50 per cent coverage will be borne 80 per cent by the federal and provincial government. And that's a good program, and I compliment the provincial government for getting involved in that and making sure that indeed there is a base there. Farmers can insure up to 50 per cent of their coverage for only a cost of 20 per cent of premium. And as indicated in many of the articles in the newspapers, that cost is less than a dollar per acre in most instances across the province. So those are positive things.

The other positive thing that I'm hearing from many people come into talk to me, Mr. Deputy Speaker, is around interest rates. Interest rates a number of years ago were the death knell for many a farmer. You can't mortgage costs that buy machinery, buy farm land when you have an interest rate of 18 per cent because all you're doing is working for the bank or for the financial institution.

And what we see now is that the interest rate for this province, and the country across the whole, has dropped almost five points in terms of the prime rate. That's not a provincial plan, that's a federal plan. And indeed we're reaping the benefits of that. The provincial government is reaping the benefits of that, and individuals across the province are also sharing in that. And that's a big load, Mr. Deputy Speaker.

The other very important thing, as the Finance minister has noted, and our opposition members have . . .

The Deputy Speaker: — Order, order. Why is the member on his feet?

Mr. Kowalsky: — Mr. Speaker, I want to be raising a point of personal privilege on some comments the member made. I do not wish to interrupt his speech but I do want to be able to reserve the opportunity to raise a point of privilege with respect to the member's remarks about the members on this side and

their conduct with respect to knowledge about the PST (provincial sales tax). So I would just ask that I be able to do that as soon as the member finishes speaking, Mr. Speaker.

The Deputy Speaker: — Point of order is taken.

Mr. Krawetz: — Thank you, Mr. Deputy Speaker.

As I was saying, Mr. Deputy Speaker, the Cameco money that has been transferred into debt — the 364.7 million — has lowered the debt. And as a result we pay a lot less in interest charges. The Finance minister has indicated that in 1995-96, by the audited financial statement, we see that there was an expenditure of \$872 million in terms of interest rate charges — 872 million. The projection for this year's budget, '97-98, is 765 million. That's a saving of in excess of \$107 million.

So as a result we indeed see that the conditions for the provincial government are better. We have a hundred million dollars to spend on health, on education, and all of the other services that we require in this province. So indeed we see the provisions that the interest rate has done, the fact that Cameco shares have been sold, have benefited all taxpayers. And we want to see that benefit passed on.

There are many areas to comment on, Mr. Deputy Speaker, the highways, health, municipal government, but my colleagues will make the appropriate responses for each of those areas.

What I would like to focus on, Mr. Deputy Speaker, is the fact that the budget has done very little for school children and post-secondary students. We don't see very much there. And I want to make . . . I'm going to state some information that I would ask members to consider and then make their own analysis.

Last year we saw a budget that said there will be cuts. The university budget for capital funding was slashed by \$5 million. There was a projection this year that there was going to be another \$5 million cuts for university. Next year another \$5 million cut by the Finance minister of the province.

Universities looked at this 3 per cent reduction, and they knew that it was a doom and gloom story, so they began to make plans. We know of university planning where they have taken into account the increased costs that have occurred as a result of inflation. They've looked at programs, they've looked at the different ways that they can achieve some savings, and they have also looked at tuition fee increases. That was their way of dealing with the proposed reduction in terms of grant, Mr. Deputy Speaker.

When of course the budget came down and indeed the revoking of the proposed cuts had occurred, then of course there was great joy, I think, in most of the university circles that I have talked to. They of course are pleased that indeed a \$5 million hit is not taking place.

But they've also taken a look at it and said, well what does it do for the programs at the universities? And the different people that have responded have said there won't be much change in

terms of possible tuition fee increases. There won't be much change in terms of some of the reduction in some of the programs.

Those things will occur because the monies that have been allocated for universities and for post-secondary have been in the area of capital funding. Yes, there will be some new capital funding to the tune of about \$8 million, as I read the budget, Mr. Deputy Speaker. But that's after last year's cut of 5 million. So the net result, if you take it back two years, is that there's only 3 million additional dollars for capital, but there will be purchases of new equipment. There will be improvements to buildings. Those things will be taking place.

I would like to compliment the Minister of Finance also in the area of post-secondary education for the placement of \$3 million into a special fund. A special fund has been created by this government to implement the changes suggested by the MacKay report.

Universities know that they must look at different ways of sharing. They must look at different ways of saving money. Therefore the suggestions that were made in the MacKay report, some of those things will now be able to be implemented and they will benefit all people in Saskatchewan. If we have resource centres that can be accessed from any computer terminal anywhere in Saskatchewan, those will be of benefit to everyone, not just the University of Regina or the University of Saskatchewan. So that is a good investment. That is an investment in resources, and that will help.

What we're not seeing though, Mr. Deputy Speaker, is, what is the long-term strategy here? There were discussions; there were meetings. Mr. MacKay had numerous discussions with both presidents in terms of making some suggestions. And the minister responsible for Post-Secondary Education has indicated that we'll work together and we'll try to achieve. And indeed, now we see some funds. We don't see the strategy though that will be used in terms of trying to create a better university program.

The part also, Mr. Deputy Speaker, that interested me last week when the budget come out — and I noted that the Minister of Finance, the Minister of Finance states that in the budget, she says that the grants will be \$163 million. The operating grant will be 163 million. The minister for Post-Secondary Education made a release the same day and he says: I am pleased to announce that the grants for universities will be at \$168 million.

The budget address is saying 163; Minister of Post-Secondary Education is stating 168, right in the news release that was given. I wonder which number is correct. And I'm sure that we do know that the number that is correct, of course, is that the funding is at the same level as last year. And that is the part that universities have looked at. They know that there's not a cut, but neither is there a large sum of money that has come forward.

Another interesting point in the Post-Secondary budget, Mr. Deputy Speaker, is that student support and employment programs seems to have jumped from \$47 million worth of

funding to \$64 million worth of funding – a quick \$17 million of additional funding for the income security and support services. I thought that that was a very positive move.

On the other side though, I happened to take a look into Social Services to see whether or not the numbers were affected there. And in the category of Social Services, income security and support, we see a reduction of \$17 million. The exact same money, Mr. Deputy Speaker, 17 million. All that has happened is the money has been shifted from the area of responsibility in Social Services to the area of Post-Secondary Education. It's not new money; it's just been reallocated.

The grants that have been paid out, Mr. Deputy Speaker, over the years to post-secondary education and training has been dropping steadily. We note that in 1994-95 the grants totalled \$293 million. Those were the grants that were paid out to all post-secondary institutions — the regional colleges, SIAST (Saskatchewan Institute of Applied Science and Technology), universities and any other affiliated groups.

What we see in this year's budget is that there is a grant of 270 million, a reduction of \$23 million. So I don't think that we can criticize people at the university or at the SIAST programs when they say, yes we're relieved that the cuts didn't occur, but we're not overjoyed because indeed we're still short \$23 million from just a short three years ago.

(2015)

When we hear Dr. Wells, president of the University of Regina, say, I think there will be an increase, but it won't be as big as it might have been, that's the comment of Dr. Wells when he looks at the fact that indeed there has been no monies to actually look at programs.

University of Saskatchewan vice-president, Tony Whitworth, doubts the 10 per cent tuition hikes planned for each of the next two years will be entirely wiped out. His quote:

My recommendation to the board of governors will be to ease back from the 10 per cent, but we're still looking at a significant increase (he said).

A significant increase. A final quote. He says:

We can't go to zero because we're still very much short of balancing our books.

That's the end of the quotation, Mr. Speaker.

So you see, Mr. Deputy Speaker, when we talk about funding to post-secondary education, we know that indeed universities are not looking forward to the fact that indeed there still will be tuition fee increases, there still will be cuts to programs and there will be changes to how we deliver the program.

I'm very encouraged that Saskatchewan has lobbied for a long time for a Saskatchewan-made training program. This is not new. This has been a program that we've advocated for years and years in the education circles, and finally that program will

be there. We know that Alberta has just completed its contract with the federal government regarding the training program and I understand from the Minister of Post-Secondary Education that that will occur in Saskatchewan as well.

So we'll finally be able to have a program where we can decide what kind of trained personnel we actually turn out, what skills will be required for our people. Because Saskatchewan is, of course, a lot different than the Maritimes for instance, and we can't train people in the exact same way. This kind of program will be there, and I look forward to discussions with the Minister of Post-Secondary Education as he brings this about.

Mr. Deputy Speaker, I'd like to turn to the section on education, that is, the education of kindergarten to grade 12. And I think to understand where we are with funding of school boards and funding of schools and providing an education for all of our children, I think we have to understand how school boards are funded. And basically what we're looking at, Mr. Deputy Speaker, is that boards rely on two sources of income. One is taxes from the local taxpayer, and the second one is grants from the provincial government. Those make up the largest amount of the amount of revenue that a school board receives.

As a point of interest, Mr. Deputy Speaker, it is interesting to note that in 1991 the total amount of costs for school boards was about \$984 million. That's the entire budget picture for all school boards in the province. It includes tuition fees, which is basically an in and an out. It includes the capital, includes the operating, includes debt reduction, all of the costs for a school board — 984 million. Estimated for 1996 — and again we won't know what that real cost is because December 31 has just occurred, and many school boards are having their books audited — that is estimated to be around 980 million, almost the same amount over a period of six years.

Now what does that tell you, Mr. Deputy Speaker? We know costs have risen dramatically for school boards. There have been increases in salaries. There have been increases in materials. There have been increases in trying to implement curriculum. But what has happened is that boards have had to make cuts. They've had to make cuts to the program. They've had to make cuts to their staffing levels. They've had to make cuts to all of things that at first many school boards looked at and said, well those were frills. And we know that there is sharing going on in all school divisions across the province.

The foundation grant is the way that the province distributes the money, and it tries to distribute the money to all the school boards, taking into account low assessed areas, taking into account of course enrolments, populations, sparsity factors, small school grants. All of those things come into play, and they distribute the money.

The problem, Mr. Deputy Speaker, of course is that when we start to look at the grants that have been allocated to school boards over the last number of years, we see in 1991-92 that the operating grant and another fund that was called the educational development fund and the capital grant . . . those are the three main transfers of money that go to school boards. In 1991-92 that number was \$451 million. In 1997-98 the budget has

suggested that the estimates in those categories will be 390 million, a difference of \$61 million in the area of capital, educational development fund, and operating. Those are significant dollars, Mr. Deputy Speaker, and boards haven't been able to cope with those changes over the years as the funds have decreased.

Last year the Minister of Finance announced that there was going to be an increase of \$2 million for boards of education in terms of their funding levels. The change in the operating grant, Mr. Deputy Speaker, indeed went from 353 million to 355 million. But the educational development fund went from approximately 2 million to zero; so the net result for school divisions was they received the same 355 million in the area of operating.

So what we're seeing now is how did boards cope with that last year? Well there were increases in taxes. There were cuts to staffing positions. There was less purchasing. School divisions that maybe were thinking of buying new buses didn't do that, and as a result they kept their costs low enough to be able to balance their budgets. They weren't looking at surpluses, Mr. Deputy Speaker. They were looking at balancing their budgets, trying to cope with the fact that this government had not given much revenue to them.

The other thing that occurred, Mr. Deputy Speaker, is that there was a significant contract that was signed last year, and the full financial implications were not felt last year. They've been moved into this year. The additional cost for this year for the teachers' contract that was signed last year by the government negotiating team is about \$8 million. And, Mr. Deputy Speaker, what I see in the budget this year is that the education budget has been increased by \$8 million. It balances. All it has done is pick up the cost of the teachers' salaries for last year, not the future.

What about those same cost increases? — the fuel prices, where a few years ago there was a cost of a litre of gasoline was 41 cents. Now it's 61 cents. Cost of materials: the government is continuing with its implementation of new curriculum, and so it should be. We should develop new curriculum and implement them, but we must have the funding at that local level to be able to implement them. And that's just not occurring.

So what has happened, Mr. Deputy Speaker, by the numbers that I just quoted to you — 451 million in 1991 down to 390 million in 1997-98. There's been a shift. Every one of these individuals in this Assembly is a taxpayer. We're all taxpayers and we've seen the education shift. A number of years ago education was funded approximately 60 per cent by the government grant, 40 per cent by us, the taxpayers. Now as a result of that reduction in terms of the grant picking up the increased costs over the last six, seven, eight years, it's a 40/60 split — 40 per cent comes from the government and 60 per cent comes from the local taxpayer.

I'm sure all members have heard from ratepayers that there is pressure on the taxpayer. I believe the minister responsible for Municipal Government indicated that it's a serious problem when she talked to SARM (Saskatchewan Association of Rural

Municipalities) and said we must look at that; we must look at the fact that we must shift back to a 60/40 and alleviate the pressure on the taxpayer.

But that has not occurred, Mr. Deputy Speaker, and as a result, I think what we're seeing is that there's tremendous disappointment in the education circles around this budget.

The other thing that affects boards of education, Mr. Deputy Speaker, is how the government, how the Department of Education on advice from the Minister of Education, breaks down the revenue and the expenditures for a board.

One column of the grant pay-out is called the recognized expenditures. What occurs there is that every student is multiplied by . . . the head count is multiplied by a certain number, a dollar figure, approximately \$3,200, \$3,300, as the child moves through the education system. There are things in that side that are there for rural technology development. There's a special education fund there. There's money that is recognized as far as expenditures, so that if a board has a particular program in place, there is an expenditure recognition.

What also occurs though on the other side of the balance sheet is the recognized revenue. This is where the Department of Education says to boards across this province, from your local revenue sources you shall contribute this much money. And that is determined by something called the equalization factor. You take the assessment, you multiply it by the equalization factor, and that's the result of dollars that the local division must put in.

Well, Mr. Speaker, last year there was great discussion in this very Assembly about the fact that the equalization factor changed last year by 2 mills. So what was really happening is that the government recognized a number of new initiatives. New expenditures were going to be made in different areas of education. But on the other side they said to the boards of education, but you will pay for it because 2 mill increase in the equalization factor means \$12 million approximately across the province. So as a result, the school boards have been forced to contribute an additional \$12 million.

If we take that back a number of years, Mr. Deputy Speaker, 1996 — as I just indicated this last year — 68.4 mills. Back it up to 1991. Equalization factor, 59.0 mills. From 1991 to 1996, the equalization factor increased by 9.4 mills. That's the equivalent of about \$56 million. So there's the difference. We see now why the 60/40 split has occurred — lowering of grants by the government and an increase of contributions from the local level. School divisions have been forced to pick up more and more and more of the tax. And they're getting to the point, Mr. Deputy Speaker, where they're saying there's no more room, and they need to have some support from this government.

Mr. Deputy Speaker, there's been a lot of reaction, there's been a lot of reaction to the budget. And I want to share a couple of quotations from what I believe are two of the largest stakeholders in education — the teacher's federation and the school trustees association. This is a quotation from the general

secretary of the Saskatchewan Teachers' Federation, Mr. Fred Herron. This is his reaction to the budget:

It does very little to address the incremental cuts to K to 12 education that have taken place over the last years. Larger class sizes, cuts to programs, and fewer resources is the legacy of the previous cuts.

So you see that's the reaction of the teachers' federation. Their president, Carol Moen, has indicated almost identical comments when she said that teachers were looking forward to the fact that there indeed was going to be additional monies in education. The conditions that teachers have worked under, the increased class sizes, the fact that programs have been cut. We now know, Mr. Deputy Speaker, that there are band programs, there are guidance and counselling programs, in fact there are basic programs like industrial arts and home economics that have been cut. Those programs have now been cut from school divisions because they don't have the funding. Teachers' jobs have been lost as a result of this, and teachers were looking for a change, Mr. Deputy Speaker. It didn't occur.

(2030)

Saskatchewan school trustees president, Mr. Al Klassen, responds this way: the budget is disappointing because it doesn't provide relief to local taxpayers. They were expecting some relief, Mr. Deputy Speaker, and it didn't occur. As a result, education will continue to suffer.

We know that. I've indicated program cuts. I've indicated loss of jobs to teachers. We're hearing from many school divisions. Regina East School Division is looking at closures of some very viable schools. Humboldt Rural School Division is looking at closures of schools. Grade discontinuance will occur, not in schools that are 30 enrolment. These are schools that have 150 students, Mr. Deputy Speaker, and those particular plans of school divisions will not turn around because of result of this budget.

Mr. Deputy Speaker, I have made some comments about education and post-secondary, and I ask that the people who take a good look at this budget take a look at whether or not there is an advantage for students in the kindergarten to grade 12 schools. What did this budget do for them? Take a look at the university students. What did this budget do for them? There isn't a lot, Mr. Deputy Speaker. It created salary compensation; yes, it met those costs. It met capital increases at the university. But it did not look at program. And I understand that there is a lot of disappointment out there, Mr. Deputy Speaker.

Mr. Deputy Speaker, with those comments, I would like to again state that I was pleased to second the motion put forward by the critic, the member from Melfort-Tisdale, and I definitely cannot support a budget that produces a few goodies but on the other side has taken so much away from children in the school systems and in the university system. Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Speaker, I rise on a point of order. Originally I'd given notice a few moments ago about rising on a point of personal privilege. However upon reflection, I believe that this matter is more likely a point of order rather than a point of personal privilege.

And they arise from the remarks made by the member from Canora during his remarks to the budget debate, at which time the member from Canora was talking about the confusion with respect to the 2 per cent reduction — I'm paraphrasing his remarks — where he said that the public made large purchases without advance knowledge of the reduction, unlike the government members who put off their purchases — buying new cars — until after the cut took effect.

Now, Mr. Speaker, those are the remarks that I heard. I would like you to check the record, Mr. Speaker, on that unless the member would like to clarify it right now exactly to what he said. But I believe that remarks of that type do reflect on the integrity of the members of the government, and in fact, Mr. Speaker, it imputes bad motives on the members of the government. It is a, I think can be considered as, a charge that members of the House have used confidential knowledge for their own personal gain at the expense of the taxpayer.

Therefore, Mr. Speaker, I would ask that you rule on this. I do believe, Mr. Speaker, I do not . . . I know the member and I believe him to be an hon. member. I think he was, perhaps, trying to make a political statement rather than try to be . . . to make malice.

However, I do think that the record ought to be corrected on that matter, and I would ask that you rule on this matter, Mr. Speaker, and ask for a withdrawal on that. I refer you to Beauchesne's, sixth edition of Beauchesne's, on page 141, item 481, which refers to points of order. And it mentions in this point of order

. . . it has been sanctioned by usage that the Member, while speaking, must not . . .

The Deputy Speaker: — Order, order.

An Hon. Member: — It went off . . .

The Deputy Speaker: — Okay. Your mike was off. Continue.

Mr. Kowalsky: — Thank you. I'll just go back to the Beauchesne's on page 141, item 481, which reads:

. . . it has been sanctioned by usage that a Member, while speaking, must not:

(e) impute bad motives or motives different from those acknowledged by a Member.

(f) make a personal charge against a Member.

I ask that you take consideration of that, Mr. Speaker, and I ask for your rule.

The Deputy Speaker: — Why is the member on her feet . . . (inaudible interjection) . . . On the point of order, I want to say that I was listening very carefully to the opposition leader and did not hear any referral to accusations of any kind against any members. What I will do, we'll check the *Hansard* and bring a ruling back as quickly as possible to the House.

Ms. Hamilton: — Thank you, Mr. Deputy Speaker. It's a privilege for me to be able to enter into the budget debate this evening. In my return speech to the throne speech, I highlighted a few areas that I wanted to put emphasis on as those areas that are important to the people that I represent in Regina Wascana Plains.

The first area I want to highlight is one that is a continual concern and worry to the people in my constituency, and should remain that way after the remarks from the members opposite, in particular the leader this evening of the Liberal Party, because their concern is that we maintain the fiscal integrity of the province of Saskatchewan. It's been a long road for us since 1991 and we've heard recently how far the Conservative Party took this province into debt and to the brink of bankruptcy and we've come a long way since those days.

The people do not want to see us ever return to a situation where we're spending more each and every year than the amount of money we're collecting in either taxes or collection of monies from people in Saskatchewan. And I became very concerned when I heard the member opposite because he put forward the Liberal "yeah but" budget. We put millions of dollars into this program and the member opposite says, yeah but, we would put millions of dollars more. We put millions of dollars into back-filling in health, in education, and social programing, and the member opposite says, yeah but, we would spend millions of dollars more.

The "yeah but" budget is going to cost this province a lot because what it does is take away the ground that we fought so hard to secure, the ground in this province that says we are no longer going to say yes, let's give monies and more monies and more monies to everyone and anyone that asks. And we'll do it so that today we can meet the short-term political needs and the political gain of the short-term-thinking government. And mortgage the future of our children, and mortgage the future of this province in its ability to make its own determination and deliberation on where monies would be spent.

Mr. Speaker, my constituents are very concerned about maintaining the hard-fought battle to have fiscal integrity and responsibility in this province; and they don't want to hear about a "yeah, but" budget from the members opposite.

Some Hon. Members: Hear, hear!

Ms. Hamilton: — The people in my constituency are looking to the leaders on all sides of the House to demonstrate some leadership that will say we're going to prepare this province for the approaching turn of the century.

It will help to restore some of the hope and optimism to people in our communities across the province. And it's also going to

allow them to understand that their leaders know that we have to lay the foundations for the future, not only of our province, but of our young adults and for our children.

We're prepared to put the collective dollars that we have available to us to work to do just that, Mr. Speaker. It's an age-old phrase, but as it said we will do, we're prepared in this budget to put our money where our mouth is.

This budget is a good news budget. It's a good news budget and how do we usually handle good news? Well we're not used to that good news and as a newspaper article I recently spied says, "Good news? How do we handle that?" And the columnist says, Murray Mandryk says:

I was told once that there were budgets like this.

Generation after generation of political columnists have passed down legends of our distant past when budgets were balanced, taxes were cut, jobs were created (not lost) and there was still new money left over for program spending (or, at least, the appearance . . .) (of spending more on programs).

Never believed them, though.

Budgets like the one Finance Minister Janice MacKinnon presented Thursday afternoon were myth, I believed, cynical fool that I was.

That MacKinnon's budget is making a believer out of you, me and likely most of us in this province . . .

A good news budget, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Hamilton: — Where's the good news contained in this budget that the people have highlighted to me when I went back out to my constituency? Well the first one is taxation. And of course the obvious one that they wanted to highlight to me, and my neighbours pointed out, was the 2 per cent reduction. It was a most welcome announcement for all the people in the constituency.

They pointed out they're at the brink of tax fatigue and they're mostly middle income earners and they wanted to see some relief, but also relief that would spur on the economy. And they believe this will do it. But, Mr. Speaker, I believe that perhaps although it's a very visible tax reduction, it's certainly not "tax relief at last" as the *Leader-Post* puts it, because over the past number of years since I've been involved in looking at budgets on behalf of the Government of Saskatchewan, there are a number of tax measures that I think deserve re-highlighting this evening.

The first one, of course, would be midnight of October 21, 1991. A wonderful feeling to be able to stand on the podium with the Premier who announced, as of midnight tonight there will be no harmonization in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Hamilton: — What that said is that unlike the Tories who were prepared to expand the base and harmonize with the federal government . . . there would be taxes on children's clothing, on restaurant meals, on reading materials, on electric home heating bills and fuel bills, and if you remember they did try that. They sort of tested the waters and said, well we'll just expand the base a little bit and see what people think. We'll charge that first on used cars. The reaction came. They said, maybe not; we didn't mean that. We'll try lottery tickets because of course that will go to health care and make it better and so we'll put a tax on that and expand the base that way. And they learned their lesson very quickly.

No harmonization was what people voted for in 1991. And lo and behold, the Conservatives feel they still are fighting that battle, that they didn't lose the election on that issue. And we hear from the Liberals opposite that if they were in government they would harmonize with the GST (goods and services tax). There would be harmonization of taxes and that somehow is a tax cut. The employers in my constituency don't believe that that's a tax cut and the people who want to purchase things within the constituency do not believe harmonization is a tax cut in this province.

Oh well, thinking back, in 1992 there was a child tax reduction for low income families that was increased by 25 per cent, which meant a \$250 reduction per child. There was a small business corporation income tax rate that was reduced from 10 per cent to 9 per cent. There was a phase-out of the announced E&H (education and health) tax on direct agents used in manufacturing and processing activities — all to do with tax cuts that were targeted to help people in greatest need or targeted to look at our *Partnership for Renewal* strategy and support a boost in the economy.

March, 1993, there was a further reduction to small business corporation income tax from 9 per cent to 8.5 per cent. Down from 10 per cent to eight and a half per cent — reduction in the rate collection for small business corporations across the province, to help them to inject dollars into the economy. There was a removal of the E&H tax for the 1-800 telephone services that also had call centres expand in this province. There was manufacturing processing tax credit equal to 8 per cent of the value of eligible equipment acquired by Saskatchewan small business.

(2045)

There was a further reduction in the E&H tax on direct agents that were used in manufacturing and processing, from 5 per cent to 3 per cent. In '94, again a further E&H tax reduction which totally eliminated the taxes on the direct agents. There was a continuation of the reduction of small business corporation income tax rate to 8 per cent in 1994.

Mr. Speaker, the list goes on. Each and every year there have been tax reductions from this government. They're not perhaps as visible as the reduction in the PST, but they've been there. They've been there on the premiss of the two things that we've

been saying to people in this province — that we will reduce taxes on targeted sectors of the economy that will turn the economy around and produce jobs, and the second one would be that they're going to be sustainable. We're not going to announce a reduction and then say, oops, we can't sustain that tax reduction.

So again, many reductions, culminating in this budget, which sees a reduction of the provincial sales tax from 9 per cent to 7 per cent; an extension of the PST exemptions to include certain medical devices purchased by individuals in addition to those I mentioned in the '91 announcement; and a continual personal income tax cut of up to \$300 per family. This is a good news budget for the people not only of my constituency who said they felt tax fatigue and wanted to know what we were going to do to spare the economy.

Well, Mr. Speaker, they shook their heads when I said that, because some of them had forgotten those tax reductions on the personal income tax side and on some of the E&H sides that would spur the economy. But they haven't forgotten the one thing that was interesting that was put forward by the Liberals when they were campaigning.

The Liberals had this book that they were going to put forward as a strategy. And they were thinking about it, and they predicated their tax reductions on an 8 per cent growth in the economy — an unheard-of rate of growth. So they said, well oops, we didn't really mean that, and they kind of whited out different parts of their platform — scratch-and-sniff budgeting.

People understood that you scratched this and beneath the surface there was something smelling; it wasn't quite right. They certainly didn't want that crew responsible for providing leadership for the budgeting in the province and again didn't elect a Liberal government in this province — a very wise move when you saw not only a “yeah, but” budget, but a scratch-and-sniff budget to boot. It's a new way of Liberal funding I'll tell you, a new-way-of-living budget.

The next part of the budget that people have congratulated me on and, through me, wanted to pass on to the colleagues on the government side is that there are a number of initiatives that are going to be felt in creating jobs and stimulating the economy. And the first one I wanted to congratulate the department on was the renaming of the Department of Economic Development to the Department of Economic and Co-operative Development. That's a key initiative, Mr. Speaker, because what it says is that Saskatchewan has always recognized the three engines of the economy: the public sector, private sector partnerships, but also the strong sector that has created jobs and furthered the economy, and that's the cooperative sector.

And to put our money where our mouth is on this one, Mr. Speaker, this year there'll be an additional quarter-million dollars to assist in strengthening the cooperative sector in this province. There's another half a million dollars for regional economic development authorities. Mr. Speaker, as part of the city of Regina who had looked at what we could do by pulling our community together and developing a REDA (regional economic development authority) and also developing a

strategy, this is most welcome news when we talk about community-based economic development.

There's more than a half a million dollars that will go to the Saskatchewan Trade and Export Partnership, and that will enable them to establish a satellite office in Saskatchewan which is a resulting of the confidence we have and what the benefits are to trade for our economy in the diversification particularly of our agricultural economy. This will result in improved services to exporters in Saskatchewan that already have quite a significant role to play in the dollars that come to Saskatchewan entrepreneurs and Saskatchewan agricultural developers.

There's a further \$6 million in strategic initiatives funds that will focus on developing key sectors of the economy as outlined in the *Partnership for Growth*. This is good news for the economy of Saskatchewan.

Mr. Speaker, I was really horrified when I heard the member opposite talking about education, and I almost said to myself that, there's a nerve. People . . . (inaudible) . . . some people have nerve, but this one's got nerve, Mr. Speaker. After the federal government pulls out of this province \$51 million in educational funding, billions of dollars, not only to this province but across the provinces, for educating our young people, for training for jobs in this country, he stands up and has the nerve to say, "yeah, but."

Mr. Speaker, in the budget address our Finance minister said:

Learning today is a lifelong experience. An explosion in information and technology is creating exciting new jobs and opportunities. Our young people will need to be trained — and retrained — throughout their careers to get and to keep jobs.

Just when there's a need to do more, the federal government is shutting down thousands of training spaces at SIAST and our Regional Colleges. More than one in four . . . opportunities will be lost as a result of the federal (Liberal) cuts.

Apprenticeship programs. Mr. Speaker, across this province people talk to me about, what can you do to have more apprenticeship programs in place; apprenticeship training for our young people. Apprenticeship programs alone will lose 70 percent of their funding from the federal Liberal government's commitment to education.

Mr. Speaker, our young people are eager and ambitious. We have to give them the training and skills they need to get ahead. Over the next three years we will deliver more training to more young people for more jobs than ever before in the history of our province. We are completely restoring the funding for apprenticeship and adult basic education that was lost from the severe cut-backs from the federal Liberal government.

We're expanding our own JobStart and Future Skills. I like those programs, Mr. Speaker, because it reflects what's really happening out there in the community. If someone is in a job

and that job is no longer available to them because of technological changes — because of whatever is happening — to say that we don't need a person over here, we really need someone to train quickly for a job that is available here, the employer wants someone who is trained. And we don't say to people any longer that you have to go back and take two full years of education and training before you're going to get out into the workplace.

Our economy can't wait and our people can't wait for the jobs. These kinds of jobs will offer modular opportunities in education, some quick training, some certification in cooperation with the SIAST or the community colleges, into a job where the employer says, you work here and at the end of it there's a full-time job waiting for you — very important initiatives for the Province of Saskatchewan, Mr. Speaker.

There's not enough money ever to answer all of the questions of people who say yes, we want more in our budgets, Mr. Speaker. But there is more funding for education. The Finance minister announced, on behalf of our colleagues and her colleagues, the operating grants for schools will increase to \$363 million in '97-98 and to 369 million in 1998-99, a \$22 million increase over last year. Mr. Speaker, we know that in education there is never enough. It's the same in health. But we're doing what we can in maintaining the fiscal integrity and giving the monies to new programs and enhancements of our programs when it's available.

It's not the same story when we look at what the Liberals did in Ottawa, and we hear that the Liberals here say, well yes, we would like to do something more but you know . . . and we know that the priorities of people are health, education, social programs, but those are the places we should cut first. And Dr. Melenchuk, the Liberal leader, or one of the Liberal leaders, has already said that if they were elected as government they would find millions of dollars to cut out of health. Was he the adviser to the federal Liberals, I want to know? Because, Mr. Speaker, in my constituency there is a real concern for the health care in this province.

And I recently had a few experiences that have put me into contact with the changing health care of our people and the needs of our people. And I'm pleased that this budget is saying that we're now to a state in our health care reform that we can look at the savings that come from looking at a change in attitude from bricks-and-mortar health care to programs-and-people health care, and put that back into providing the programs and services that are needed, such as: stabilization of our hospital and nursing home systems; security for the front-line care-givers, funding that will be made available to use to retrain or redeploy people who are front-line workers. Twenty-four hour access for home care services will be available. Improvements for weekend on-the-call services, and the physician recruitment we need to have happen for rural Saskatchewan. Expanding the role of nurses in the primary care projects. And one I'm particularly interested in because people are very happy about the announcement of the operational funding for the MRI (magnetic resonance imaging) in Regina.

There are many, many other announcements in the health

budget and I'm surprised the members opposite don't quote them in their speeches because they are indeed good news for providing wellness prevention, but also curative care, a model that not only nationally but internationally has received acclaim.

Mr. Speaker, health care is interesting to me because I've recently had a 17-year-old daughter who had a problem with . . . somewhere in the region of her abdomen and it took a little while to discover that this young woman needed gall-bladder surgery. So when we found that out, the surgeon pointed out to me that because maybe with diet this would be controlling the pain, we would be put on the list, and within about five to six weeks she would probably receive her surgery.

If there were a change and she had great pain, and it wasn't controlled by diet and so on, she would certainly put her on a priority list that would see her receive surgery much quicker than that.

We went home and watched *ER* on television. And a woman was wheeled into the emergency room on this American program. And it was determined that she had gall-bladder problems and would require surgery. She was in a lot of pain and was asking could that happen very quickly, and they said yes, they would put her on a list and in about a year to 18 months she would receive her surgery. She said to the people in the emergency room, but I'm in a lot of pain and could you tell me why this is going to be different than my neighbour who received her surgery in a matter of months. The very quick answer was, Mr. Speaker, the same kind of answer we would receive under the two-tier Liberal system of health care. The answer was, but you don't have private insurance, do you.

My daughter couldn't believe what she was watching on television. She said, Mom, is that really the case? This is the case, Mr. Speaker, when you go into privatization of the health care system. She was horrified.

Our health care system is undergoing change. And we're seeing that my daughter did receive her operation within weeks of being diagnosed, and she received a laparoscopic operation that had her going home with us the very next day.

Mr. Speaker, it's a greatly improved system. With the technologies available today, we don't need to have someone in the hospital for a week before they're able to get out of bed. We can send someone home to be able to rest and relax and recover in their own home surrounding without endangering the patients in any way, but thanks to the new technologies that are also very expensive.

We're changing our health care system to make certain we can afford those technological advances, like an MRI for the city of Regina.

Some Hon. Members: Hear, hear!

(2100)

Ms. Hamilton: — There are six points that we have outlined

that we want to invest in in this budget. And the other one that my people are really very pleased about is the determination of our government, in the face of the federal Liberals' actions such as the abolition of the Crow benefit, rail line abandonments, deregulation of highways, and all of the policies that put stress on our roads and our highway system, that this government is prepared to contribute \$2.5 billion over the next 10 years, to improve our roads and highways — a welcome announcement for the people of Saskatchewan. Not just thrown out there to say, whenever anyone comes forward we'll say, oh yes, you get a strip of pavement, but in the context of an overall transportation strategy that our Highways minister has been working very hard on over the number of months and will be prepared to tell us more about in the future.

Mr. Deputy Speaker, in my previous address, I gave an overview of 1996 that was entitled, 1996 was a very good year. With this budget, all I can say now, 1997 — a great year for a wonderful province.

Some Hon. Members: Hear, hear!

Ms. Hamilton: — My wholehearted support is given to the budget presented by our most capable Finance minister. I want to be on record as supporting the budget that's been presented and against the amendments that would water down the moves that we've made and the strides we've made to have Saskatchewan a province on the move again.

Some Hon. Members: Hear, hear!

Ms. Stanger: — Thank you, Mr. Deputy Speaker. I'm very anxious to enter into this debate. I was not able to get to speak to the throne speech, so I'm very anxious to do the budget debate.

But looking at the hour and knowing the amount of comments that I have for tomorrow morning, I would like to take my place and continue tomorrow, Mr. Deputy Speaker. So I'd like to adjourn debate tonight. I move that I adjourn debate tonight.

Debate adjourned.

The Assembly adjourned at 9:03 p.m.

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