

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Job Creation

Mr. Martens: -- Thank you, Mr. Speaker. My question today is to the Minister of Finance. Madam Minister, later today you will be presenting your budget. The Saskatchewan people will be looking for a signal that some jobs will finally start to be created in this province.

Young people who are just completing their education will be looking for a reason to stay in this province, Madam Minister, rather than moving elsewhere to work. Other Saskatchewan residents, many of whom are concerned about losing their jobs, for the first time in their lives will be looking for a signal that their employment future is secure in this province.

Madam Minister, last year you said in your budget you would have 2,000 new jobs in 1993. But even that very modest goal was not met, Madam Minister. There was zero growth in jobs in Saskatchewan. Madam Minister, have you set a specific job target in this year's budget? And what assurances do we have that these targets will be met?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: -- Mr. Speaker, it's my privilege to answer the question to the hon. member from Morse.

Mr. Speaker, you will remember back to the early days of 1992 and during that year meetings that were held with business and labour and the development of the *Partnership for Renewal* plan in the province of Saskatchewan that dealt very directly with the issues that you raised here today.

I am pleased to announce that as a result of the cooperation that there has been in this province between business and working people and the government along with co-operatives, Saskatchewan continues to have the lowest unemployment rate in Canada bar none. I say that, Mr. Speaker, because in the past 12 months the unemployment rate in Saskatchewan has dropped a full percentage point while the average unemployment rate in the country has stayed very, very stable at a very high level.

In the notes that you'll be seeing today we want to say clearly that manufacturing shipments in the past year have rose by 6 per cent. The retail sales are up by 5.7 per cent and wholesale trade has increased by 10.4 per cent.

Now obviously we have to do better. It's true we need more jobs in the province of Saskatchewan, but when compared to other jurisdictions I think the record stands for itself that business, along with their partners in the trade union movement and working people along with the government, are doing an excellent job in trying to create the needed jobs for the province.

Some Hon. Members: Hear, hear!

Mr. Martens: -- Mr. Minister, in January the number of people working in Saskatchewan dropped to 423,000 -- the lowest figure in 10 years. The number of people working in Saskatchewan dropped by 9,000 in your first year in office and there has been no growth in 1993. There are almost 20,000 more people on welfare than the day your government took office.

Mr. Minister, your economic policies have been a disaster in terms of putting Saskatchewan people back to work. And in recent weeks you have promised that today's budget will contain more of the same. That's a disaster, Mr. Minister.

Mr. Minister, will today's budget contain more of those destructive policies that have ground our economy to a halt over the past two years, or will you admit that you have been on the wrong track and start to give Saskatchewan people some hope for the future?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: -- Mr. Speaker, I want to say to the hon. member that when looking at the optimism in the province by the chamber of commerce in their recent surveys that indicate that approximately 80 per cent of the members surveyed indicate that they will see growth or stability in their businesses, it's hard to believe where the member opposite is coming from.

I want to say as well, Mr. Speaker, that on the issue of welfare numbers, he will know that the increase in welfare numbers in the province of Saskatchewan resulted from two main reasons directly related to that member's colleagues in Ottawa, i.e., shifting responsibility for Indians off reserve to the back of the provincial government in terms of welfare, and changes to the unemployment insurance program.

Those two items alone amount to the increase in a general way in the number of people on welfare. You know that fully, sir, and I say to you that it is not morally right for you to try to indicate that this is a result of programs at the provincial level when they result very clearly from actions by the previous federal government -- the Mulroney government in Ottawa.

Some Hon. Members: Hear, hear!

Mr. Martens: -- Mr. Minister, no government in history has ever taxed its way into prosperity. I heard the Premier say that, Mr. Minister, earlier in his political history -- no government in history has taxed its way into prosperity.

Since your government took office in 1991 there have

been two steady trends in this province: more, more taxes and fewer, fewer taxpayers, Mr. Speaker, and Mr. Minister. Mr. Minister, since you came to office there has been an increase in sales tax, income tax, gas tax, resource tax, liquor tax, SaskPower rates, SaskTel rates, SaskEnergy rates, drivers' licence, vehicle registration, STC (Saskatchewan Transportation Company) rates, tuition fees, livestock fees, brand fees, incorporation fees, business registration fees, pasture fees, crop insurance premiums. And, Mr. Minister, here is a list, here is a list of all of those fee increases.

Mr. Minister, that's the reason why people in this province are leaving. They're leaving because they cannot withstand the tax burden that you are placing on them. How many jobs will you create as a result of this year's budget, Mr. Minister? How many jobs are you going to create with this burden of taxes that you're placing on the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, I want to thank the hon. member for the question, but I must say, in the recitation of the purported tax increases which he attributes to our administration, I thought for a while -- and do think -- that he must have picked up by accident an old former taxation list of his colleague, the member from Estevan, and the former PC (Progressive Conservative) administration. And you forgot, of course, to mention the used car tax and the lottery tax and a few others that you added on.

The reality is that for a family of four earning \$25,000, our tax load makes Saskatchewan the third least expensive, taxed province in Canada.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- For 50,000 income, family of four, we are the fourth lowest; and for 75,000, we are the seventh lowest. These are before the Minister of Finance delivers the budget address here in a few moments.

And I might add that that says perhaps taxes are too low . . . too high. But in terms of the rest of the country, we are every bit as good -- in fact we are better -- than most of the other provinces, and a heck of a lot better by a long way of any of the Liberal provinces, which in each category are at the top of the tax list in Canada.

Some Hon. Members: Hear, hear!

Co-generation Projects

Mr. Toth: -- Thank you, Mr. Speaker. Mr. Speaker, my question is to the minister responsible for SaskPower. Last Friday, Mr. Minister, I submitted a written question. This past week that question was deferred to motions for returns (debatable) and we all know where those questions end up -- on the back burner.

Mr. Minister, SaskPower put out proposals for co-generation projects. And in the spring of 1993, SaskPower said that there would be a decision made by the summer. In July of 1993 they again said, no this decision has to be deferred and the proposals will be accepted and a decision made by late fall.

Mr. Minister, there are a number of communities and RDCs, rural development corporations, that are actually endeavouring to bring jobs and create jobs in this province. Some of them happen to hinge on whether or not SaskPower is going to continue or look very aggressively into the co-generation projects.

The RDC in Moosomin, the Gateway RDC, is waiting for an announcement because they not only are looking at a co-gen project, Mr. Minister, they also have a greenhouse project tied to it, and they want to know where they sit because they don't want to lose both. If they won't be getting the one, they want to be able to work at another option at maintaining of the greenhouse project.

Can you give us an answer today as to where SaskPower sits regarding the co-generation projects?

Hon. Mr. Anguish: -- Thank you, Mr. Speaker. I thank the hon. member for his question. I'll be making a ministerial statement in the House next week on co-generation. And certainly if your party allows you to, you'll be able to respond to that ministerial statement next week.

Some Hon. Members: Hear, hear!

Acute Care Funding

Ms. Haverstock: -- Mr. Speaker, my question is to the Minister of Health. Madam Minister, last year you announced that funding cuts of 2.68 per cent would be levelled at acute care budgets this year. Last week an oil rig worker was taken to Weyburn with a broken back. When calls were made to see which hospital in Regina could provide this individual with a bed, they were told to keep him in Weyburn because there were no beds. The man waited four days with a broken back before being transferred to Regina for surgery.

Madam Minister, experiences like this are being brought to our attention with frightening regularity and your 2.68 per cent cuts have not even been implemented yet. How can you assure us that this acute care crisis will not worsen?

Hon. Ms. Simard: -- Thank you very much, Mr. Speaker. I'm very pleased to be able to answer this question and indicate to the member opposite that, first of all, there is not an acute care crisis in Saskatchewan, that we have had someone taking a look at waiting-lists and how matters can be improved with respect to accessibility of beds. It's a problem that exists in every jurisdiction in Canada. It's very much to be expected.

Now with respect to the particular incident that the member has raised in the House, I want to suggest to

her that when something of that nature comes to her attention, if it is as urgent as she says it is and if it is of the concern to her that she says it is, she should get in touch with our office and with the Department of Health immediately so that it can be dealt with in an immediate fashion.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Mr. Speaker, Madam Minister, I pride myself in having regular contact with your department and am very prompt in getting in contact with your department, which is more than I can say that you do in return.

Recently patients have been kept waiting in the hallways, since you consider this to be a non-crisis, on stretchers in the Regina General Hospital for three to four days -- in the hallways, Madam Minister. Patients with serious bladder bleeds have been kept sitting upright for as long as 18 hours with no place to lie down. No crisis, you say.

Madam Minister, if we are aware of these situations, then surely you must tell me that you have been informed as well.

What dialogue are you having, and with whom, to correct these problems?

Hon. Ms. Simard: -- Mr. Speaker, thank you very much. The member opposite knows full well that there has been a review ongoing in the hospital situation to make sure that the matters that the member opposite . . . for example, aren't affecting patients' safety and the Department of Health has been assured that they aren't.

Now I once again urge the member opposite, if she has such a long list of cases, to make arrangements . . . I will sit down and meet with her, go through the individual cases, and deal with them. Because what happens is when we get an individual complaint of that nature, we often find that when we've looked into it, it's not how the members opposite have projected it.

And with respect to consultation, I think the example that the member on this side of the House had raised yesterday is an indication of how the member fails to consult when the door is open for her to consult with people on this side of the House.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. Madam Minister, I pose to you this question.

What dialogue are you, as the Minister of Health, having with the public or was that just window dressing to get things rolling? How many telephone calls and letters has your department responded to in the past month and how many people are employed to deal with the concerns of the citizens of this province about their complaints?

Hon. Ms. Simard: -- Mr. Speaker, this government has had an enormous dialogue with the people of this province on health care. We have been in constant discussions with health boards, with local communities, with health care professionals, with people throughout Saskatchewan who are affected by or who are participating in the health care system. And the member opposite knows that that dialogue is ongoing and is extensive and has been of an unprecedented nature in this province.

And as a result of the ongoing consultation and the cooperation -- unlike the confrontory approach of the member opposite -- as a result of the cooperation that's taking place, we have arrived at a lot of understanding with people in urban and rural communities about where we're heading and what measures will be put in place to make sure that we have a high quality system in Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Haverstock: -- Thank you, Mr. Speaker. Madam Minister, we're talking about people with real problems and real concerns and real fears in the province of Saskatchewan. Surely you can articulate the particular process that you have in place to evaluate the impact and the effects of your particular initiatives in health care reform, and I talk specifically about at the institutional level.

How are you measuring progress in health reform in terms of health care quality? Or is it simply a bottom line budget figure to your department? What is the evaluative mechanism? That's what people want to know because they're falling through the cracks and people are hurting.

The information we get, Madam Minister, has been from doctors and nurses, all health care employees, and people who are sick in the province of Saskatchewan.

Hon. Ms. Simard: -- Thank you very much, Mr. Speaker. With respect to the member opposite and her concern about an evaluative mechanism, I had indicated earlier that we have had an ongoing review of the acute care system in Saskatchewan and how the health reforms and the moving to more community-based services is working. There has been an ongoing review. The member opposite is aware of that because I believe that she has been informed of that in the past.

I hope, Mr. Speaker, I only hope that her concern, as she expresses it today, will be there and as genuine when we will be looking at federal EPF (established programs financing) transfers, perhaps in the next year or two, with respect to health care funding. I hope then that she will stand up and say something with respect to that.

I also want to point out that in 1991, September of 1991, the Liberal Party policy platform was to freeze the provincial health care budget. And I wonder how she reconciles that with her concern that is being

expressed today.

Some Hon. Members: Hear, hear!

SaskTel Tendering Policy

Mr. Goohsen: -- Thank you, Mr. Speaker. My question, Mr. Speaker, today is to the Deputy Premier, and it has to do with the way we could be saving money and creating a better climate for job creation at the same time.

Mr. Minister, last week we asked you why you had extended SaskTel's union preference tendering policy to the new SaskTel building in Moose Jaw when your stated policy was that union preference tendering was only to apply to Regina and Saskatoon.

At the time you stated that SaskTel and all other government Crowns and departments would be undertaking a complete review of tendering policies and releasing this policy shortly.

Mr. Minister, the deadline for bids on the Moose Jaw SaskTel contract is February 24. Now that's just one week from today, Mr. Minister, and the crunch is here.

So, Mr. Minister, given that this deadline is fast approaching, could you tell the House: has the review of the government tendering policy been completed and could you release the results here today?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Mr. Speaker, I want to reply to the hon. member from Maple Creek to the question which he has raised previously and raises again today. And I want to make it very clear, as I did the other day, that it is the policy of this government to make sure, or at least try to make sure, that unionized and non-unionized contractors get a fair share of the work that is provided by Crown corporations and by the Government of Saskatchewan.

And that is the policy that is being applied in this case in Moose Jaw, as it has been applied in other situations as well. That's different than was the case under the former administration of which he was a member, in which there was a preference given to non-unionized contractors.

Now, Mr. Speaker, the policy isn't working perfectly, but I want to report to the House that in the case of SaskTel, for the whole year of 1993 up to December 31, there was a total of 113 contracts that were let. Non-union contracts let were 109, and union contracts that were let were four. It seems to me that the policy isn't accomplishing a full balance, but to say that somehow there is a preference to one sector, which is the union sector, as opposed to other in an unbalanced way, is incorrect on the part of the member.

Some Hon. Members: Hear, hear!

Mr. Goohsen: -- Thank you, Mr. Speaker. First of all,

Minister, I want to correct you. I wasn't a member of the past administration -- not that I would be ashamed to have been.

Secondly, I did ask you for the results of a review that you promised in this Assembly, and I'd like you to come forward with that review. That's what I asked you for.

Mr. Minister, last week when you were answering questions about this issue, you gave some figures about the extent of union preference contracting at SaskTel. You said that only \$860,000 in SaskTel contracts were let to unionized contractors in 1993.

Mr. Minister, I subsequently learned that there were two union preference tenders awarded in Regina in November. And these two contracts alone totalled \$1.8 million, about \$142,000 more than the lowest non-union bid. Mr. Minister, given that the facts you gave this House last week were incorrect, would you today table a complete list of all SaskTel construction contracts let in 1993 and the value of each contract; and whether each of the tender calls contained a union preference clause?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- Mr. Speaker, I'm pleased to respond to the member opposite and clarify once again and ask him to listen with care what the policy is. The policy is to try as best as we can to make sure that all contractors in Saskatchewan, unionized and non-unionized, have a fair distribution of the work that is provided through the Crown corporations. I gave him the most recent numbers for the full calendar year of how that has transpired, Mr. Speaker.

This policy is under continuous review because we want to make sure that the objective which we have established is achieved as best as we can and as closely as we can achieve it. So the policy will continue to be reviewed with that in mind.

Mr. Speaker, for the member to say that there is a preference one way or the other is incorrect. If he listened to my answer, he will know what the policy is. And it is true that in some large contracts which involve a large amount of money, there may be a consideration given to union preference. But first and foremost will be the business considerations of the corporation in mind and the protection of the taxpayer and a good and equitable distribution among all contractors in the province.

Some Hon. Members: Hear, hear!

Mr. Goohsen: -- Thank you, Mr. Speaker. Mr. Minister, I think the people will judge your words for me. First of all, list of the contracts -- that's what we ask for. Table the study -- that's what we ask for.

Mr. Minister, your union preference tendering policy speaks to the kind of negative business climate your government is creating in this province, and why no new jobs are being created in this province. The

Saskatchewan Construction Association has asked you time and time again to adopt a policy of giving contracts to the lowest qualified bidder, union or non-union, fair ball, no special considerations. Many municipalities have written to your government asking you to adopt this same policy. I have copies of many of the letters.

Mr. Minister, given your government's dismal job creation record, why do you refuse to listen to the people who create the jobs in this province? Why don't you simply do what they are asking, which would be to save the governments millions of dollars and to create a level playing-field for the contractors at the same time?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: -- I'm pleased to hear, Mr. Speaker, that the member finally agrees with me that we're trying to create a fair distribution of the work that is available to all contractors, be they union or non-union.

Now I want to respond directly to the member's earlier question, which I did not answer and I must admit to that. I will provide, as this government has been providing since 1991 -- something which was never done in the 1980s -- all the information about contracts, who got them, in the Crown Corporations Committee when SaskTel is considered by that Crown Corporations Committee. That has been done in the last two years; it will be done once more.

And finally, Mr. Speaker, I want to correct for the benefit of the legislature and the media some numbers that the member opposite uses which are absolutely incorrect. He says that the two contracts let in Regina were something like 200-and-some thousand dollars difference between the tender that was given and the others.

I want to say that in both cases the amount of the contract was about . . . close to a million dollars; in one the difference was \$15,000, and in the other the difference was \$27,000. And I would simply ask the members opposite not to use information that is incorrect because that doesn't benefit anyone and does discredit to themselves.

Some Hon. Members: Hear, hear!

Utility Rates Review

Mr. Martens: -- Mr. Speaker, my question is to the Premier. Mr. Premier, I have received a few questions from Saskatchewan residents that we would like to ask you today, and one of them relates to the Minister of Finance.

The first one is from Mr. and Mrs. Froyman from Vanguard, Saskatchewan. They list several concerns with your government, but here is one of them that is on the minds of a lot of people these days. Mr. and Mrs. Froyman say utility rates are a tax grab. We would like to see an independent watchdog on utility

rate increases.

Mr. Premier, will you establish a utility rate watchdog for the people of the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- Mr. Speaker, I welcome the hon. member's question. I want to preface my answer by pointing out the following: that it was the former administration of which this member, unlike the member from Maple Creek, cannot disassociate himself from, that did establish a Public Utilities Review Commission and disbanded it.

Now you should ask yourself and perhaps tell the legislature why you did that. Why did you disband the Public Utilities Review Commission?

I'll tell you why you did. Because you know at the end of the day what you do is you set up an extremely expensive bureaucracy of millions of dollars, which can only match the rate increases which the Crown corporations seek by lawyers and accountants on the other side that the ordinary consumer has a great deal of difficulty in being able to manage. Point number one.

But point number two, as the substance of the question, it is factually wrong to suggest, as the members do opposite, on utility rates . . . If you take into consideration power, telephone, home heating, and electricity, total charges, Saskatchewan is the eighth lowest . . .

An Hon. Member: -- We should be -- we've got all the advantages, Mr. Premier.

Hon. Mr. Romanow: -- The member opposite said we got them all.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: -- You know, Mr. Speaker, I agree with the hon. member. You got them, all of the advantages. That's why they're this low and that's why we don't need a Public Utilities Review Commission.

Some Hon. Members: Hear, hear!

(1430)

ORDERS OF THE DAY

GOVERNMENT ORDERS

TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

Hon. Ms. MacKinnon: -- Mr. Speaker, I have a message from Her Excellency the Lieutenant Governor.

The Speaker: —

The Lieutenant Governor transmits estimates of certain sums required for the service of the

province for the 12 months ending March 31, 1995, and supplementary estimates of certain sums required for the service of the province for 12 months ending March 31, 1994, and recommends the same to the Legislative Assembly.

Hon. Ms. MacKinnon: -- Mr. Speaker, I move, seconded by the hon. member from Riversdale:

That Her Honour's message, the estimates, and supplementary estimates be referred to the Committee of Finance.

Motion agreed to.

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

Hon. Ms. MacKinnon: -- Thank you, Mr. Speaker. Mr. Speaker, I know there are many special guests in the legislature today. There are four whom I would like to mention specifically. First, my husband, Peter, who is the dean of law at the University of Saskatchewan; my son Alan, who is a student in grade 9; my son William, who is a grade 6 student; and my long-time neighbour and friend, Bill Kinloch, who is also a veteran of the Second World War.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, I'm pleased to present through this Assembly, to the people of Saskatchewan, a budget that delivers the promise -- the promise to meet our deficit reduction targets, the promise of no major program cuts, and the promise of no new taxes.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Last year our government presented a balanced budget plan; a plan which contained all the major revenue and expense measures needed to balance the budget by 1996-97. A plan which is achievable because it's based on realistic economic and financial forecasts, and a plan which is on track.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Today I'm pleased to report that the 1993-94 budget deficit is \$294 million -- \$2 million less than forecast in our balanced budget plan, 50 per cent less than last year. Saskatchewan now has the lowest per capita deficit in all of Canada.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- I'm also pleased to report that the budget deficit for 1994-95 is \$189 million, another 36 per cent reduction. This is the lowest budget deficit in Saskatchewan since 1982.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Our success rests with the

people of this province who understood the need, realized that difficult choices were required, and were determined to make the sacrifices necessary to ensure the province's financial future.

Deficit reduction is not easy. I understand that. But as I've travelled around this province and listened to Saskatchewan people, I've been impressed with their spirit, their willingness to pull together and keep their eye on the long-term benefits of difficult choices. This budget shows that as we gradually turn this province around, Saskatchewan people can begin to see the benefits of their choices.

Meeting our targets means freedom -- the freedom to invest more in jobs. I understand why the number one concern of Saskatchewan people today is jobs. This budget shows that jobs are also our number one priority.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Together we have made tremendous gains. When this government came to office we inherited the largest per capita debt of any province in Canada -- \$60,000 for a family of four. We faced a projected deficit of \$1.3 billion. Three years later our deficit is \$189 million. That's a turnaround of more than a billion dollars. No other government in Canada has achieved such a turnaround.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- With the support of Saskatchewan people we took three basic steps that involved reducing the cost of government administration at every turn; renegotiating the previous government's megaprojects; and making the expenditure of public funds more open and accountable to ensure that no government will ever be able to mismanage tax dollars again.

First let me talk about cutting the cost of government. Mr. Speaker, this government led by example. Since coming to office we have reduced cabinet ministers' salaries by 5 per cent; cut MLA (Member of the Legislative Assembly) communication allowances; and introduced legislation to cut the number of MLAs in this legislature by more than 12 per cent.

Last year almost \$18 million was saved by making common sense changes to the day-to-day operations of government. For example, instead of sending out brand-new health cards to all Saskatchewan residents, we sent a sticker so that people could keep using the cards they already had. This simple measure saved taxpayers \$200,000. This is the kind of practical change we are making every day throughout this government.

By cutting the cost of administering government, we can redirect those savings to higher priority areas like jobs. Again this year we've worked hard at every level to reduce administrative costs. For example, simply using highway signs two years longer before we

replace them has led to savings of \$400,000 a year.

By making common sense changes like this we will spend \$12 million less this year on administering the Government of Saskatchewan.

At the national level, we're prepared to work with the new federal government and all provinces to reduce the cost of delivering public services while protecting the quality of those services. In short, we're working on every front to cut the cost of government.

Our commitment to streamlining our administration is ongoing and we will continue to consult with you, the people of this province, about ways to do this.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, that's also why we have renegotiated so many of the previous government's megaprojects. During the 1980s one and a half billion dollars were committed in the form of equity, loans, and loan guarantees to such projects.

We came to office on the promise to renegotiate these deals wherever possible, to restore the public interest. We have delivered that promise.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- So far, we've reduced taxpayers exposure by over \$400 million and we will continue to search for more ways to reduce these financial risks.

We also promised to make government more open and accountable to the people we were elected to serve. We have opened the meetings of the Board of Internal Economy to the public and will appoint an independent commission to review the salaries and benefits paid to MLAs.

We provide the public with audited financial reports for each and every Crown corporation, agency, board, and commission. We provide the public with a mid-year financial update to tell them whether or not we're meeting our budget targets. We provide the public with summary financial statements to give taxpayers the complete picture of our financial position.

The auditor in his annual report said this:

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

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- We are delivering our promise of more open and accountable government and we will keep delivering that promise.

Reducing the cost of government, renegotiating the megaprojects, making government more open and accountable, are the steps we have taken which have helped turn our province's finances around.

Although we've made significant progress, there are still risks: one, a legacy of the past; the other, an uncertainty about the future.

While we have reduced taxpayers' exposure for the previous government's megaprojects, there is still the potential for problems. Additional write-downs may be required so that our accounts continue to reflect the true value of these assets. But these will be one-time problems which will not prevent us from delivering our promise of a balanced budget by 1996-97.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- The other major risk rests with the federal government and the potential for further offloading. To date we have had some success with the new federal government in our efforts to convince them that offloading simply doesn't work to solve the Canadian debt problem. For example, a revised equalization formula has been agreed to for the next five years. The formula is more fair to Saskatchewan and will provide our province with a more secure source of revenue.

While this provides some stability in one of our major transfer payments, I have to say that offloading remains the biggest single risk we face in our effort to balance the budget. For example, a 5 per cent reduction in federal funding for health and post-secondary education alone would cost \$37 million a year. That's the equivalent of a 3 cent per litre increase to the provincial gas tax and more than all of our funding in any one year for student aid.

There are risks. But despite these risks, we are determined to maintain the integrity of our balanced budget plan. And we'll do it the way we've been doing it from day one -- by controlling government spending, by managing better, and by setting the right priorities.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Today in Saskatchewan that means jobs. Our priority is jobs. Our plan is to act on all fronts to promote the economic recovery which is occurring in this province.

Mr. Speaker, the most recent report from the Conference Board of Canada estimated that our economy grew at a faster rate in 1993 than the national economy. In the first 11 months of last year, manufacturing shipments rose by 6 per cent, retail sales went up by 5.7 per cent, and wholesale trade increased by 10.4 per cent. The forecasts for the future are also positive. External agencies have projected that there will be consistent, steady growth in our economy.

But in spite of this growth, the number of new job opportunities has not been as great as either the government or Saskatchewan people had hoped. Now is the time to strengthen our investment in jobs. Now is the time to act to help the economic recovery take hold.

In this budget there are small, targeted increases in spending designed to support our strategy for economic development and jobs.

Our economic development plan, **Partnership for Renewal**, involves focusing on our proven strengths through a revised royalty structure for the oil and gas industry to encourage new investment; a north-west forest renewal partnership plan with funding of \$226,000 in '94-95 and \$104,000 in '95-96, to support reforestation in north-west Saskatchewan; the elimination of the tax on direct agents to promote processing and manufacturing; the continuation of the planned reduction in the small business income tax rate. Mr. Speaker, over four years we will have reduced the small business tax rate by 20 per cent. We have done this because co-ops and small businesses create most of the jobs in this province.

Some Hon. Members: Hear, hear!

(1445)

Hon. Ms. MacKinnon: -- Mr. Speaker, jobs are also the reason we're participating in the federal-provincial infrastructure program. By redirecting or accelerating funding, we can undertake projects sooner than previously planned and at less cost to Saskatchewan taxpayers. More than \$173 million will be spent by the three levels of government, federal, provincial and local, over the next two years to renew our infrastructure and to create jobs.

I'm pleased to announce that Crown corporations and the government will spend over \$700 million on needed capital projects in 1994-95. This is almost \$140 million more than was spent last year.

While this will help to create jobs for the short term, our economic development plan means jobs and opportunities for the long term. It means exporting more Saskatchewan products and services to the world market-place. This budget will help to do that with total funding of \$6 million this year for the new Saskatchewan Opportunities Corporation.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- The corporation will provide equity financing, loans, and guarantees to Saskatchewan businesses that are geared to the export market. It is designed not only to promote Saskatchewan business, but also to protect Saskatchewan taxpayers.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- There will be strict due

diligence and a 25 per cent loan loss provision to ensure that there are no unexpected drains on our future tax dollars.

Mr. Speaker, northern Saskatchewan is a region which deserves special attention for jobs and economic development. Despite its rich resource base, this region has high levels of unemployment, and experiences the many social problems which unemployment creates. Restoring hope to Northerners will take many years. I understand this. But we are determined to make progress.

Mr. Speaker, I'm pleased to announce that this budget redirects over \$4 million to a strategy for economic renewal in northern Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- This strategy will focus on the unique strengths of the North by creating jobs and opportunities through the following measures: assisting local people to process and market products grown or produced in northern Saskatchewan; helping local businesses to supply northern mines with the goods and services they require; providing training programs for northern people so that they can take advantage of these new opportunities.

Northern people will be directly involved in the planning and priority setting. This investment in northern Saskatchewan means jobs for Northerners today and hope for Northerners tomorrow.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Any strategy to create long-term jobs in this province means making an investment today in agriculture. We have recently released **Agriculture 2000**, a strategy which emphasizes stability, growth, and diversification in our most important industry.

Saskatchewan farmers have already made major efforts to diversify. For example, in the last crop year there was nearly a 70 per cent increase in specialty crops grown. Our strategy aims to foster diversification and to enhance opportunities to add value to Saskatchewan's primary products.

Mr. Speaker, I'm pleased to announce this budget provides funding for the new agri-food equity fund. Over the next four years \$20 million will be invested in value added projects to strengthen rural Saskatchewan by providing new markets for the products of Saskatchewan farmers, new exports for the Saskatchewan economy, and new jobs for Saskatchewan people.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- I'm also pleased to announce the introduction of a program to help promote Saskatchewan's beef industry. The beef industry development fund is being established in cooperation with the federal government. This year

we will invest \$1.4 million to improve products and to enhance markets for the beef industry.

We're also working with Saskatchewan farmers and the federal government to develop a new whole-farm safety net program. The Saskatchewan Farm Support Review Committee has recently released a report on safety net design. This report will be the basis for discussions with other provinces and the federal government over the coming months.

While these discussions are under way, we need to act now within our limited financial resources to enhance farmer security. Accordingly crop insurance, a key program for farmers, is being improved. Spot loss hail coverage will be introduced.

I'm pleased to announce that for the first time farmers will be able to purchase whole-farm crop insurance. Rather than purchasing insurance for each crop separately, farmers can now insure all their crop production in one package and as a result pay less for their insurance.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- We are also introducing a special diversification option for minor crops currently not covered by crop insurance. This option will contribute directly to the diversification efforts of Saskatchewan farmers. **Agriculture 2000** is a strategy that provides the stability Saskatchewan farm families need now as it helps them build for the future.

Mr. Speaker, self-reliant families are fundamental to our quality of life. The 1994-95 budget provides over \$4.4 million through Saskatchewan's action plan for children for measures to support children, families, and communities.

Consultation for this action plan began in 1992. Since then more than 1,200 people and organizations have been involved in its development. Community forums have been held around the province with school divisions, health boards, municipal governments, and service organizations to assess local needs and resources.

The plan brings communities and government together to improve the well-being of children by strengthening their families and the communities in which they live. The guiding principles of the plan are prevention and support.

Mr. Speaker, by taking preventative action now to avoid problems before they occur, we not only better protect our children, we also reduce the need for higher cost services later.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- For this reason, we've established pre-schools in Prince Albert and La Loche for children who we know are at risk of developing social, education, or health problems. We are establishing a children's advocate in the Office of the

provincial Ombudsman to ensure that children's interests are protected and their voices heard.

We're also enhancing crime prevention programs at the community level. And for the third year in a row, we are providing more infant care services for teenage parents attending high school. Evidence has shown that young parents with access to infant care services remain in school longer, thereby increasing their opportunities for economic independence in the future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, while prevention is a key element in building stronger families and maintaining our quality of life, we must also support families facing crisis and breakdown.

Family violence is a growing problem in our society. Far too many women are the victims of violence and many simply have nowhere to turn. We are providing small, targeted funding increases to support services for women who have been the victims of violence, to help them begin to rebuild their lives.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, in this, the International Year of the Family, it is appropriate that we respond to the broad range of challenges facing Saskatchewan families. More needs to be done, I understand this. However, despite our financial constraints, we have taken small but significant steps to show our commitment to supporting and maintaining strong, stable families.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- We are doing it by working with communities to plan and provide for both prevention and support that will help our children when they need it. Community-based decisions and community action must be the foundation of the social programs of the 1990s, whether in family support services or in health services. Our wellness reforms are based on the concept of community decision making. Local people are the best ones equipped to make decisions for their communities.

This year marks an important landmark in community decision making. For the first time, funding will be paid directly to district health boards in the province. These district health boards will be able to plan and deliver health services that meet local needs and they will be able to offer a broader range of services than was available in the past. In this area, as in others, we can begin to see some benefits from our progress to date.

Some of the savings from decreasing our dependence on institutions can now be redirected to health services in rural Saskatchewan. I'm pleased to announce the introduction of a \$10 million rural health initiatives fund to provide for the expansion of community-based services in rural Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Health boards are now in the process of assessing the health needs of the people in their districts. This fund will help ensure that rural health boards meet these locally determined needs through such measures as enhanced emergency services, home-based palliative care, or disease and accident prevention.

Mr. Speaker, our health reforms are based on wellness. They shift the emphasis from merely treating illness to preventing it. Cancer devastates many families and part of the hope in dealing with this disease lies in prevention. Breast cancer strikes one woman in eleven and mammography is a vital preventative procedure. I am pleased to announce that the breast cancer screening program will be now available on a province-wide basis for the first time.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- These enhancements in health care are some of the benefits of the difficult choices Saskatchewan people have made in the past two years.

These choices mean a stable financial situation and a growing economy. Our economy is showing signs of positive growth and government revenue for this year will be \$4.8 billion, an increase of over 3.2 per cent. The increased revenue will be realized without any increase in taxes. No increase in the gas tax, no increase in personal income tax, no increase in the sales tax, and no base broadening.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Total provincial government expenses for this year will be \$5 billion, a modest increase of less than 1 per cent. The increase is less than the forecasted growth in the Saskatchewan economy and less than the estimated growth in our revenue for this year. It should also be emphasized that this increased spending is due largely to our commitment to jobs.

Because we are on target with our balanced budget plan, I can confirm today the previously announced third-party funding for 1994-95. Barring any unforeseen circumstances, this will be the last year the third parties will have to make do with less.

Some Hon. Members: Hear, hear!

(1500)

Hon. Ms. MacKinnon: -- Third parties, I know, have been our partners in deficit reduction. They too have had to make difficult choices and I want to sincerely thank them for their cooperation.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, I'm very pleased to announce that for 1995-96 there will be no

further reductions in revenue-sharing grants for local and northern governments, no further reduction in funding for local school boards, universities, regional and federated colleges and SIAST (Saskatchewan Institute of Applied Science and Technology), and an increase of 1.6 per cent for district health boards.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, I've presented through this Assembly to the people of Saskatchewan the first budget of this administration in which we can see some of the benefits of renewed financial stability; the first budget that allows us to be guided more by the priorities of the people and less by the dictates of an inherited financial crisis; the first budget that gives us the freedom to invest more in jobs and opportunities for Saskatchewan people. Jobs can be the priority today because Saskatchewan people made difficult choices to get us to this point.

As we've always said, Mr. Speaker, balancing the budget is not an end in itself. Our goal is to ensure that we can sustain a high quality of life here for future generations. As provinces around us struggle to get their financial houses in order, we can take some pride and feel some security in knowing how far we've progressed in restoring our financial house.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Today we are on the road to recovery and we're on that road because of the people of this province.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, it is because of Saskatchewan people that the 1994-95 budget delivers the promise of no major program cuts and no tax increases, delivers the promise to meet our deficit targets and balance the budget in two years' time, delivers the promise to make jobs the top priority.

Mr. Speaker, in conclusion, I ask my colleagues to rise with me and thank the people of the province.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: -- Mr. Speaker, I move, seconded by the hon. member from Riversdale:

That this Assembly do now resolve itself into the Committee of Finance.

Mr. Martens: -- Mr. Speaker, Mr. Premier, Hon. Minister of Finance, Legislative Assembly colleagues, I am honoured to rise and reply to the budget address on behalf of the official opposition.

This is my first reply to the address as opposition member responsible for Finance, and, Mr. Speaker, as this is a most important function, I reviewed last year's budget address and the reply given by my colleague, the Leader of the Opposition.

It was a most interesting and enlightening exercise, Mr. Speaker, to say the least. The Leader of the Opposition called last year's budget, the iceberg budget -- a very appropriate description because most of the taxes and program cuts were below the surface, Mr. Speaker.

Mr. Speaker, the government is internationally renowned for its fondness for retroactive changes but in last year's budget we saw something different. For the first time, Mr. Speaker, for the first time, we saw the government opposite bringing forward a change that would happen in the future.

Those changes were program cuts, transfer cuts, and yes, Madam Minister, tax increases.

Mr. Speaker, Madam Minister, downloading is not a real reduction in government expenditures. Expenditures is a shift in government expenditures. And that's what you did, Madam Minister, you shifted the responsibility where? To our towns, our cities, our villages, rural municipalities, and our school boards. That's where the shift occurred, Madam Minister, and you're downloading in a very serious way.

Mr. Speaker, those cuts just didn't disappear into thin air, as the government would like us to believe. They had a very real and harmful effect on all taxpayers in this province.

Mr. Speaker, unlike the provincial government, local governments have to balance their budgets. That means when the provincial government downloads onto local government, there is no choice, no option. Our cities and our towns, Mr. Speaker, our RMs (rural municipality) and school boards either increase their fees, taxes, or cut jobs and programs. The math is quite simple, Mr. Speaker.

The government's reduction in transfer payments to municipalities and cuts in last year's budget resulted in increased property taxes, increased library fees, increased tuition fees, increased rates for skating rinks and curling rinks, increased rates for nearly everything that affects the average citizen. That, Mr. Speaker, is what we got.

Right here in Regina we saw dramatic increases in business licences, Mr. Speaker. Some businesses saw their fees increase from \$132 to \$700. That, Mr. Speaker, is where the taxes come from.

Regina families were appalled when they heard city councillors considering a 51 per cent increase in recreation fees in this city, Mr. Speaker. Regina businesses and Regina families were both taken aback by a proposal to increase the hourly parking rate by 33 per cent. This in addition to 2 mill property increase for what, Mr. Speaker? For health care.

In Saskatoon, University of Saskatchewan fees were hiked by another 10 per cent, and city councillors are considering the implementation of wide user fees, Mr. Speaker.

In Kindersley the town was forced to put a \$30 levy on garbage collection. The list of fee increases goes on and on, Mr. Speaker, due in large part to the government's iceberg budget. As the year progressed, pieces broke off and floated to the surface for everybody to see in the form of tax increases.

And now, Mr. Speaker, in this budget, in this budget, not last year's property taxes, not last year's, but this year's property taxes will once again be hit by an 8 per cent cut in revenue sharing. Property tax is going to have to pay that, Mr. Speaker.

A 4 per cent cut in grants to schools, Mr. Speaker. School boards are going to have to get the taxes from somebody. A 250 per cent increase in property assessment fees and a 2 mill levy to pay for new health district boards. But the minister doesn't mention them -- not even a reference, Mr. Speaker.

This new round of downloading will create a new round of trouble for local government. And yes, Mr. Speaker, contrary to the hon. member's statement, the new round of downloading will mean a new round of taxes and new fees for Saskatchewan taxpayers. So when we hear great proclamations of no new taxes from the government benches, we have to wonder, Mr. Speaker.

I hear the minister say that there are no new taxes in the budget document. Well I have a budget document, Mr. Speaker. I have a budget document that every taxpayer in the province of Saskatchewan received, and it's a tax form. The Saskatchewan section of the tax form has an item called a surtax, Mr. Speaker, and that tax was introduced in this Assembly a year ago, and it's on your tax statement today. It introduced it and then it doubled from 5 per cent to 10 per cent on top of their basic Saskatchewan tax. And they say no new taxes, Mr. Speaker, no new taxes.

One must wonder, Mr. Speaker, what the government is going to consider in no new taxes as it relates to utility rates. Mr. Speaker, it is often said that budget addresses and the financial statements provide a snapshot, a snapshot, Mr. Speaker, of the province's finances.

Well today, Mr. Speaker, we only saw a glimpse of that snapshot. We are only seeing a part of that picture, Mr. Speaker. And the only part of the government financial picture that we see is the Consolidated Fund. And that, Mr. Speaker, had a budget presented here today.

The latest government documents show, Mr. Speaker, that over 40 per cent -- over 40 per cent -- of the government's revenues and expenditures are outside of the scope of this budget address. Forty per cent of the government's operations were not addressed by this Hon. Finance minister, and they remain outside of the scrutiny of this Legislative Assembly.

That's why the minister believes she can say, no new taxes -- no new taxes -- when people know that their power rates went up, Mr. Speaker, 11 per cent;

SaskTel, 5 per cent; SaskEnergy, fifteen and a half per cent; and SGI (Saskatchewan Government Insurance) premiums and licence fees have also increased.

Mr. Speaker, these Crown corporations are monopolies. There is very little if any competition. People must pay these rates. They have a monopoly. The revenues from these Crowns are then transferred into general revenue from the Government of Saskatchewan. And they fund programs in the province but we can't talk about them here because they're in Crown corporations -- 40 per cent.

So when the government increases a utility rate, Mr. Speaker, it's a tax increase in the province of Saskatchewan. Yesterday in question period we asked the Minister of Finance if she would commit to no increases in utility rates. She refused, Mr. Speaker, effectively contradicting that no-new-tax pledge even before it was made.

That is why the members of this caucus have introduced, Mr. Speaker, legislation to permit an all-party committee to review any and all government utility rate increases, members of this Assembly to be able to do that, and before the government is able to impose those rate increases on the public.

Mr. Speaker, the Fraser Institute recently determined that Saskatchewan has the highest . . . Mr. Speaker, they said that Saskatchewan has the highest percentage of tax burden of any province for a family income, and that is in Saskatchewan.

Mr. Speaker, we have the latest tax freedom day in Canada. In fact we are the only province in Canada where over 50 per cent of the average family's income is taken to pay for the people and the government's projects that they want to introduce.

Mr. Speaker, the Saskatchewan Taxpayers' Association said, and I quote:

Despite campaigning on a platform of holding the line and even lowering taxes, since taking office in 1991, the NDP government has increased taxes by \$2,300 per family of four.

They calculate that the community of Craik has been soaked for \$300,000; Maple Creek, 1.4 million; Melville, 2.9 million; North Battleford, 8.6; and Moose Jaw, \$20.1 million.

That's what they're taking out of those cities' economies, Mr. Speaker. And after this, Mr. Speaker, the government members would have you believe that this is a good news budget.

If someone has been beating you up for two years and they tell you they're going to continue to beat you up but not any harder than usual, I suppose that's good news.

Mr. Speaker, this budget contains no new hope -- no new hope for jobs for 8,000 new Saskatchewan people who are struggling to find work. An article in

yesterday's paper, Mr. Speaker, indicates that more and more businesses are moving to Alberta because of the exorbitant tax rates and oppressive business environment. And the jobs, Mr. Speaker, and the jobs, Mr. Speaker, go with them.

A former director of the Gaming Commission moved his business, MicroAide Services, lock, stock, and barrel to Alberta. And what was said about it? He said the economic and political climate has convinced him he's better off to do it in Alberta than in Saskatchewan.

This is not an isolated event, Mr. Speaker. Ask the Minister of Energy and Mines how things are in North Battleford. Ask him. Two major retailers, Eaton's and Kresge's, have pulled out of North Battleford. Eight Royal Bank branches pull out of rural Saskatchewan. And Moose Jaw -- in Moose Jaw, Woolco employees are having to fight to save 150 jobs just because this government doesn't allow decertification in that centre.

(1515)

So what does the government bring to enhance job creation, competitiveness, and business investment? Mr. Speaker, they bring in changes to The Trade Union Act and The Labour Standards Act which will add more costs and more burden to Saskatchewan business.

Perhaps the minister is right -- this is a no-news budget. No new hope for wealth creation, Mr. Speaker. There was no new hope for 20,000 people now on welfare and there was no new plan to revitalize Saskatchewan and rural Saskatchewan that's been decimated by this government's attack on them. And we are led to believe that we have turned the corner. Well, Mr. Speaker, this government has said that we have turned the corner so many times that . . . so many times, Mr. Speaker, I believe they've come full circle.

In his reply to the Speech from the Throne last year, my colleague, the Leader of the Opposition, said the speech failed a very simple test to be applied to the government's blueprint. The first test was, did it reflect the wishes of Saskatchewan people. That's what was asked, Mr. Speaker. It is a test that the people of this province have been applying to their elected representatives, much like the throne speech. And today's budget address failed to pass that test.

Some Hon. Members: Hear, hear!

Mr. Martens: -- Mr. Speaker, as I will be looking through the budget documents and as my colleagues have, we will be looking at them and expressing our opinions about them. And therefore, Mr. Speaker, and because of that I would like to move adjournment of debate on this address.

Some Hon. Members: Hear, hear!

Debate adjourned.

Resumption of Budget Debate

Hon. Ms. MacKinnon: -- Mr. Speaker, I move, seconded by the hon. member from Regina Elphinstone:

That debate on the motion that this Assembly do now resolve itself into the Committee of Finance be resumed on Friday, February 18, 1994.

Motion agreed to.

The Assembly adjourned at 3:18 p.m.