

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

Clerk: — According to order, the following petitions have been reviewed, and pursuant to rule 11(7), they are hereby read and received:

Of citizens of the province of Saskatchewan humbly praying that your Honourable Assembly may be pleased to reverse the government's decision to close hospital facilities.

And

Of citizens of the province of Saskatchewan humbly praying that your Honourable Assembly may be pleased to cause the government to reverse its decision to single out diabetics in the drug plan.

And

Of citizens of the province of Saskatchewan humbly praying that your Honourable Assembly may be pleased to cause the government to allow the 1991 GRIP program to stand for this year.

ORAL QUESTIONS

Government Deficit

Mr. Swenson: — Thank you, Mr. Speaker, it is nice to have so many guests in the Chamber today.

Mr. Speaker, my question is to the Premier. Mr. Premier you got elected Premier of this province by telling people that \$4.5 billion was enough to run this province on.

You knew, because your personal financial adviser, Mr. Don Gass, told you, that the total debt of this province was \$14 billion. And yet you said at that time, four and a half billion was enough. You cancelled tax harmonization, you promised more money for health and education and agriculture, and you absolutely decried that there would be any offloading on Saskatchewan taxpayers.

The question, Mr. Premier: are you telling us today, Mr. Premier, that you didn't know that the debt of this province was \$14 billion? Or did you just make those reckless promises in order to get the very chair that you're sitting in? Is that the way it was, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I want to thank the Leader of the Opposition for that question and say to him that not only did I not know what the true size

of the deficit was, but I suspect that he himself didn't know what the true size of the deficit was either.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Given the fact that the Treasury Board in the former government had not met for over 11 months prior to the election of the government, I doubt that he knew or any of the other cohorts who sit beside him knew.

I said 4.5 billion should be enough to run a government. We budgeted 4.25 billion last year. You know why we're in the deficit? Because of \$800 million interest payments occasioned by the massive debt that you and your colleagues incurred from 1982 to 1992, swallowing up the surplus and putting us in a deficit position.

I say, Mr. Leader of the Opposition, join us in our task. Interest payments on the public debt rob our people of jobs, hope, and opportunity. We have to eliminate the deficits to give the people jobs, opportunity, and hope, and that's what we're doing. Join the building.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. My question's to the Premier. Mr. Premier, you felt quite confident in going in a leaders' debate during that election campaign on province-wide TV, and you said at that time that the debt was over \$14 billion. And you knew full well as the Premier of this province that there would have to be some costs associated with servicing that debt, or you wouldn't have had the gall to stand on province-wide TV and talk about that number. So you knew. And you knew that debt servicing was part of the equation.

But you were going to do it smarter and do it better. You were going to help people. Remember that? You were you going to help farmers get more money.

Well, Mr. Premier, those same people are feeling betrayed today. Why did you make those promises — hospital workers, teachers, students, farmers — when you knew the size of the debt? Why did you lead them down that garden path? Was it only because you wanted to be Premier of the province? Is that it, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I thank the Leader of the Opposition for that question. And I would say that when he ended up by saying, is it only because I want to only be the Premier of the province of Saskatchewan, I want to tell you after 16 months, after having opened up the books and seen the mess that you have left, believe me that is not the objective in the October election. So put that out of your mind.

I repeat again, because this is an old line of questioning, what we promised is set out right here in "The Saskatchewan Way, and it said this: "First Things

First — Common Sense Financial Management”; “Open the books”; “New Directions, New Priorities”; “A Better Quality of Life”; “Fighting for Agriculture . . .”; “Open, Honest and Accountable Government”. It’s there in the brochure. That’s what we did.

But more specifically to the Leader of the Opposition’s question, he says that we knew the numbers. Will the Leader of the Opposition acknowledge once and for all that his former colleague, the then minister of Finance, Mr. Hepworth, on behalf of the then premier of the day, wrote to me a letter — and I believe to the Leader of the Liberal Party — saying that the deficit for ’91-92 would be no more than \$225 million. He assured me of that when in fact we found out after we got into office and opened the books that the debt was not 225 million but \$1 billion. So please, I think most people in this legislature and in this province understand what it is exactly that we have to face and why we were misled by you and your administration.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. My question’s to the Premier. Mr. Premier, what they understand is the size of the betrayal. If you’d like to take the opportunity to look on page 133 of the ’91 budget address, I think you’ll find a number that’s the same one you used a year later as to what the size of the debt was, same number, sir. Same number. Why don’t you check it out?

Mr. Premier, in the face of that, you have hiked personal income tax, sales tax, utility rate increases, savaged farm programs, the drug plan, all of those things; even though you said, I can live on \$4.5 billion, before the campaign. Mr. Premier, I say to you because you did know the numbers — the numbers are the same in your budget as it was in ours — that you simply betrayed Saskatchewan people because you wanted to be Premier of this province. The politics, sir, was more important to you. The politics was more important than the lives of people. Don’t you agree, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I might add in response to that question with respect to politics, unlike of course the position taken by my colleague and the former premier over nine years: politics was never important to you people, was it?

Here is the letter from the Finance minister of the province of Saskatchewan, sir, exact words, September before the election, quote: On balance, however, Mr. Hepworth writes to me and the Leader of the Liberal Party, I see no reason to alter our target of a \$265 million deficit.

Now I want to tell you the mathematics. We brought in last year’s budget at 4.25 billion. If we had had the deficit of 265 million, it would have been 4.5 billion. You know what happened? We had to face the \$800 million interest payments on the public debt that we pay every year. So the surplus on our budget of 225

was swamped by the 800 million on the interest rates, leaving us with the deficit of 517.

Now the former premier chirping from his seat says . . .

The Speaker: — Order, order. Next question.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Mr. Speaker, a question to the Premier. Mr. Premier, you boasted for weeks in this province that you were going to lead the way. People around the province today see that in Ontario we’ve got 20,000 jobs being cut in the Ontario government; 7,000 jobs being cut in Quebec; 1,000 jobs being cut in Newfoundland. Yesterday you went out in front of your budget process and announced \$5 million in savings and a few jobs.

Mr. Premier, people expected you to lead from the top. That you no longer would have 18 cabinet ministers because Saskatchewan couldn’t afford them. Mr. Premier, if you’d even started doing away with some of the friends that you’ve hired in the last two years, you could have saved Saskatchewan taxpayers millions of dollars.

Mr. Premier, tell Saskatchewan people how you’re going to lead from the top. Tell us today which of your cabinet ministers you’re going to deal with so you can show Saskatchewan families and taxpayers that you’re prepared to show the leadership that goes with that chair. Would you do that, Mr. Premier?

Hon. Mr. Romanow: — Mr. Speaker, here we go again with the same old line of questioning of the last two or three days. And I give the same answers to the hon. member and he refuses to accept them, or perhaps refuses to understand them.

I want to tell the hon. member that we have made a significant reduction. Do you remember the time . . . Maybe you don’t because there were so many members sitting around the cabinet table during your administration you probably wouldn’t know some of them, there were so many that were there.

There were 25 ministers, 14 legislative secretaries. Everybody had a job in official pay salaries over and above MLAs (Member of the Legislative Assembly) except for poor old Lorne McLaren from Yorkton. I still can’t figure out what was wrong with Lorne. Why was he excluded? Why didn’t he get the job?

We moved from 25 to 18. We have one of the lowest cabinets in Canada. And I said to the Leader of the Opposition yesterday as I repeat again, the next step is to take a look at the size of the Legislative Assembly, which we intend to do at this session, and the size of the cabinet in due course.

But please, sir, it is lacking total credibility for you to be getting up in this Chamber and lecturing us about the size of government after you racked up a deficit of \$15.5 billion. Shame on you!

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. My question is to the Premier. It's funny how the Premier's version of history and mine is somewhat different. Neither the Premier nor I, neither the Premier nor I were in this House when there was 25 cabinet ministers because voters of this province gave him a rest between 1982 and 1986 because he was picking the pockets of Saskatchewan people through the family of Crown corporations as he's doing it today.

Mr. Premier, my question is, you promised that you would not offload on Saskatchewan people. Last year we saw offloading like this province has not seen in decades, by your government, on Saskatchewan taxpayers, hidden taxes.

Mr. Premier, will you assure the taxpayers of Saskatchewan today that we won't see the massive offloading continue in the sectors of health care and education and other places where you're expecting Saskatchewan taxpayers to suck up? Would you promise them today, Mr. Premier, that that won't occur?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, as the hon. member obviously knows, the budget will be presented in a short few moments and the details of the budget will be known to him and to the people of the province of Saskatchewan. But I do want to say before I take my place with respect to this question that it's interesting again the line of questioning from the Leader of the Official Opposition. From 1982 to 1992 you racked up, sir, 1 billion — it's like McDonald's hamburgers — \$1 billion of new debt each and every year at a time when revenues were declining.

I don't blame your premier for some of the declining revenues, grain wars and the grain prices. He did the best that he could in that circumstance. And I pay him tribute for that. But the reality is you did not live within your means.

If you now say that we are asking everybody to share in the result of your mismanagement, we have no choice but to do that. You should have thought of that, sir — the downloading, as you criticize that — you should have thought of that between 1982 and 1991 and lived within our means and we all would have been better off as Saskatchewan people today. You didn't. That job is ours now. That job is ours now and we are determined to help everybody and to plead for everybody's support and sacrifice as we get on to rebuilding the province of Saskatchewan, something that you should have done in your term of power.

Some Hon. Members: Hear, hear!

Health Care Cut-backs

Mr. Neudorf: — Thank you very much, Mr. Speaker. Mr. Premier, after listening to your convoluted

reasoning which only a lawyer could come up with, I'm amazed at that. I'll tell you, sir, that in my youth I thought about becoming a lawyer for a while, and then I thought better of it and decided to become a productive member of society instead.

Now, sir, you talk about cabinet, you talk about cabinet. You promised, sir, that you would have a war cabinet of 10 cabinet ministers and you would only increase it after you had enough money to pay for more, sir. I remind you that you have an 80 per cent increase — an 80 per cent increase in your cabinet ministers in one year. That, sir, does not speak well of management.

Now, Mr. Speaker, it's obvious from the Premier's answers so far that their real plan of deficit reduction is simply more taxes, more offloading — back-door taxes.

Mr. Speaker, I direct my question now to the Minister of Health. Will the Minister of Health today deny what she said on October 21, 1989, in this legislature, and I quote: The NDP are going to fight these health care cut-backs and these changes to medicare.

She then stated that when the NDP (New Democratic Party) got elected that the public isn't going to have to worry about these problems. That's what you said, Madam Minister.

Will the minister guarantee that the drug plan and the dental plan will survive in their current form and that no more offloading will take place in this budget. Will you restore the faith of the people in you, Madam Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I'm going to take the question from the hon. member on this occasion, to say to him that with respect to 1988-1989, the quotation that he cites I have no doubt is accurate.

And I want to tell you that I subscribed to it then and I subscribe to it now. Because then we were saying to you, you are making choices in your budget and your choices are cut-backs in health care. But diversion of the money to all of the megaprojects which you have engaged in, whether they were Weyerhaeuser, whether it was the NewGrade operation or whether it was the Saferco project — \$369 million; all of us in this Chamber are committed to the Saferco project — and we kept on saying to you, sir, the priorities have got to be put into balance. You have to have economic development, but please do not attack the social safety net. And you did relentlessly; and in doing so you diverted the money to these projects; and in doing so, as the independent accountants have shown us, have put the province in a \$15.5 billion hole.

Those comments are just as relevant today as they were in 1988-1989. What we are forced to do is protect the core services of health care in Saskatchewan, to re-design a new system of health care which will once again put this province at the

leading edge of all of Canada.

Why don't you fess up to the error of your ways and join us in this great task instead of criticizing.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Speaker, I will try to, unlike the Premier, remain calm so that we can have a rational discussion here this afternoon. Mr. Speaker, I want the people to notice that the very items that he listed as being part of the deficit are exactly those initiatives of our government that they are also in their paper saying are such wonderful things that have created job and economic stimulation within this province, Mr. Minister.

But I refer again to the Minister of Health. You, Madam Minister, and you, Mr. Premier, it has been categorically shown were cognizant and fully aware of a \$14.2 billion deficit. Yet in spite of that, you went before the public during the election and you committed to spending more money in health, more money in education, more money for universities, and at the same time, cut taxes. Your minister there from Regina, your toy minister who is the Finance associate, said no new taxes for the next two years, Mr. Premier. Well when are you going to keep your promises, Madam Minister? When are you going to keep your promise that you will maintain and restore, in your own words, the benefits of the health care system?

Madam Minister, can you get up and reassure the citizens of this province that medicare will stay in the same condition that we left it in — one of the best health care systems in Canada?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Now, Mr. Speaker, this questioning is descending from some element of ludicrous nature to almost fantasy land.

Because when a statement of this nature says, the best . . . (inaudible interjection) . . . The member says that I should remain calm. I say, you should remain calm.

When you get up with a straight face and say that the PCs (Progressive Conservatives) protected medicare and health care in Saskatchewan, well that's something like akin to colonel fox getting in there and saying, I'm protecting the chicken coop.

Nobody would trust the Tories with medicare, health care, and they didn't based on all the attacks that you've conducted.

I want to read to you, Mr. Speaker, as answer to this question, a letter which we have received from the Pan American Health Organization, World Health Organization, reviewing our policy, our revision of health care.

Quote: We have reviewed the new policy in health, a Saskatchewan vision for health, and congratulate you

for this excellent work. We're very interested in knowing your plans for its implementation. We would appreciate receiving additional information. We believe that the efforts being undertaken in Saskatchewan could serve as an inspiration and impetus for change in our member countries.

And there are many like that, because we are on a revolution which puts medicare now the core services being protected, occasioned by the debt and occasioned by new vision.

We are repairing the damage that . . . (inaudible interjection) . . . Yes, it is a two-stage process. We are repairing the damage, but we're building, we're providing hope. This budget has turned the corner. We see daylight in health and in social services.

We're asking the people of Saskatchewan to pull together with us, all of us. We even ask you to join us, and together we can beat it; we will beat it. We're going to have the finest health care system again in all of Canada.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Mr. Premier, the fact of the matter, the basic fundamental fact of the matter is, that prior to today, prior to in fact the embarkation upon your Minister of Health, upon orders from you, sir, and the Minister of Finance to start gutting the health care system, we did have the finest health care system.

And what I'm trying to do this moment for the people of Saskatchewan is to ensure that you will have last-moment hesitation and second thoughts about dismantling the health care system any further than you are doing right now, sir. You are offloading. You are offloading responsibility.

The Madam Minister is making decisions to cut funding. Then she's got health boards around the province that have to be the axe people, the axe men to take the brunt of it.

But not only that, are you offloading responsibilities, sir, you are also offloading funding to SARM (Saskatchewan Association of Rural Municipalities), to SUMA (Saskatchewan Urban Municipalities Association), organizations that are pleading for you not to do that, not to add more burden to the property taxpayer.

And that, sir, and Madam Minister of Finance, and Madam Minister of Health, is your motivation and that is your goal. You are going to . . .

The Speaker: — Order, order. Does the member have a question? I'd like the member to place his question.

Mr. Neudorf: — Why don't you admit that your goal in this process that we are going to embark on in a few minutes is simply to offload funding, to give yourself a better balanced-book appearance and put the onus on the people of this province — higher taxes, more taxes, and literally, Madam Minister, no hope.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, with the consent of the Minister of Health, I'd like to answer that question as well.

Mr. Speaker, I want to answer the question very briefly by this first quotation to begin with: we believe that all governments must work in concert to reduce budget deficits — all governments. Failure to accomplish this will force harsh financial penalties on our children. It is inevitable that mounting deficits will result in unwanted reductions in government services and tax increases. End quote.

I'd like to ask the hon. member if he could tell us in a supplementary question who he thinks said that. Well just in case he doesn't know I'll tell him. Who said it was Mr. Bob Andrew, the minister of Finance in 1984. You were a part of that government. How duplicitous it is of you now to be a part of the government that says in 1984 all governments must share in the burden. But today now that you're sitting in opposition benches, all governments shouldn't share in the burden. What is it?

Do you believe what your government and your premier advocated, or whether or not you believe in the political stance that you take. I say to you, sir, consistency is necessary in order for you to regain your credibility. This is a problem which faces all of us and it's about time. I say again to the Tory Party do what you want to do, fess up, face the reality, and join us in rebuilding Saskatchewan even after your nine years of devastation.

Some Hon. Members: Hear, hear!

Cutting Government Expenditures

Ms. Haverstock: — Thank you, Mr. Speaker. My question is for the Minister of Finance. The New Democratic Party gained support of more than 50 per cent of the people of the province at the polls in October of 1991, Madam Minister, based on the promises of holding the line on taxation. And if your government hopes to earn the trust of the people you really must be able to prove that you've taken every possible measure to minimize the bill handed to the taxpayer. The only way to do this of course is to provide solid evidence.

Of all the people who have called me, Madam Minister, the number one question and the question I pose to you is this: how can we be sure that you have cut every expense in government which could be considered dispensable, and expendable, or unnecessary.

Hon. Mr. Romanow: — Thank you very much, Mr. Speaker. I thank the leader of the third party for that question. The answer to her question, the question being solid evidence, is set out in the books of last year and will be tabled here momentarily. Let me just refresh the memory of the leader of the third party,

what happened.

For the nine years of the former administration, from 1982 to 1991-92, on average every year expenditures grew by plus 6 per cent — \$1 billion new debt as a result, each and every year, when revenues couldn't match, couldn't keep pace. Last year what did we do? We not only turned that plus 6 around but we cut it minus 3.2 for a net gain of over 9 per cent. We were the only government in Canada to do so.

This year we're going to take it down some more as you'll see in the budget in a few more minutes. The proof of the pudding is that we have acted in this decisive way, as I've indicated to the leader of the third party. There are other evidences as well. But there comes a point in any provincial budget that you have no more room to cut. I cannot cut a helicopter program at \$6.7 billion. I do not have a department of defence that I can cut or diminish. I do not have the offloading problems that the federal government has. We have taken concrete evidence to do the right kind of budgeting.

Join us, I say. Join the turn-around corner. We are building a prosperous and optimistic Saskatchewan in this budget.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. My question is directed then to the Premier. You've conducted studies on the environment, studies on health care, studies on education, studies on casino gaming, on sustainable development, studies on workers' compensation, legal aid, and the list of topics studied at taxpayers' expense is really endless.

Can you identify and produce the study that was done to show how caucus grants are spent, whether this legislature and its elected officials could operate more cost effectively? Could you in fact provide us the study that shows that \$401,000 which is spent each and every year by your Executive Council on nothing but news releases in fact is going to be worthy of support from the taxpayers of this province? Would you please today provide us with that study, Mr. Premier?

Hon. Mr. Romanow: — Mr. Speaker, I thank the leader of the third party for that question. And if I may say so, with the greatest respect to her, I think I'd weigh more credibility to her question if she offered to cut her grants by about 25 per cent. And I haven't heard that at all.

In fact what you do is you ask for more. You get up in the legislature and the public and you say, I need more. I'm all by myself. More, more, more. It's okay for you to use taxpayers' money to put out the Liberal position, but it's no good for us to do it or for the Conservatives to do it. You're inconsistent.

I also say to you with respect to consultations, we have consulted with virtually every group and major organization possible. We have done our internal studies. We have done changes to caucus. Cabinet

took a minus 5 per cent cut last year. We've frozen the salaries of all of the MLAs. We've reduced the communications minus 25 per cent.

More needs to be done, but I want to tell the leader of the third party, if you fired every single MLA, including yourself, the size of the debt that these people left us, that amount of money would not even be a drop in the ocean, and we'd still need somebody to govern.

So please get off this kick of denying and attacking the integrity of the democratic system. You may think you're hurting us, but you're hurting yourself. You're hurting all of us, and most importantly, you're impairing the important job of everybody to get together, to pull together to save this . . .

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

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

The Speaker: — Moved by the Minister of Finance, seconded by the Premier:

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: — Mr. Speaker, I would like to move the following motion, seconded by the Premier, the member from Riversdale:

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

Mr. Speaker, there are many special guests here today. There are only two who I would like to refer to specifically. Unfortunately my husband, Peter MacKinnon, was not able to attend because he's involved in the Nerland inquiry in Prince Albert. But I'm very pleased that my two sons, Alan and William, are here. I will spare them the embarrassment of pointing them out, but I thank my neighbours for bringing them.

And it's especially fitting . . .

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — I think it's especially fitting that my children are here today, because this budget is

for our children; it is about our future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, Saskatchewan was founded by pioneers who had the vision and the courage to make sacrifices, sacrifices in their time to secure a better future for their children. Today our province faces economic challenges no less daunting than those faced by our pioneers. Today we too must have the vision and the courage to make the difficult choices which will help secure a better future for ourselves and our children.

The challenges are real and very serious. No one can deny that our government inherited a financial mess from the members opposite. Now we are all forced to clean up and pay for their mismanagement. In only 10 years, Saskatchewan's financial position has gone from one of the strongest in the country to one of the weakest.

Our total debt per capita is the highest of all the provinces, \$15,000 for every man, woman, and child. Mr. Speaker, if Saskatchewan's total debt was stretched out before us in \$20 bills laid end to end, there would be enough of them to circle the earth at the equator twice.

The interest payments on that huge debt — just the interest, not the principle — costs our province more than \$2 million each and every day. That's more than \$2 million a day which leaves Saskatchewan for the bankers and the bond dealers of Toronto, New York, Zurich, and Hong Kong. Every dollar we waste on interest payments is a dollar we can't spend to help create jobs or protect our public services here at home.

Mr. Speaker, interest payments are robbing Saskatchewan families of jobs, services, and opportunities. For their sake we have to get these interest payments and the budget deficits which caused them under control. The sooner we do that, the sooner we'll secure Saskatchewan's future for ourselves and for our children.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Saskatchewan is not alone. Dealing with debt is a challenge for governments everywhere. The new President of the United States has acknowledged that. He recently proposed tax increases and expenditure cuts to tackle the debt problems of the world's largest economy. Yet the debt problems facing the United States are nowhere near as severe as those facing Canada or Saskatchewan. So the need for action here is even more pressing.

Canada must come to grips with its debt problem. No one government can tackle it alone. We require national solutions. We need cooperation, coordination, and a new national agenda.

Imagine the potential of a national economic strategy committed to full employment. Imagine a national

economic strategy committed to creating jobs today by modernizing Canada's infrastructure and making our economy more competitive for the future.

Imagine a national economic strategy committed to protecting our social programs by improving the delivery of those programs. Imagine the potential for true fairness if we had a national commitment to reform our tax system. Imagine the potential for financial freedom if Canadians had a national plan to balance our budgets and reduce our debt.

These goals can only be achieved at the national level. In the mean time, we must act here at home. We are showing the way in Saskatchewan. We are on the leading edge of positive change. We are proving that governments can reduce their deficits while remaining true to the fundamental values of cooperation, community, compassion, and fairness.

We have made great progress in just a few short months. To encourage jobs and economic growth we have introduced a comprehensive economic strategy, *Partnership for Renewal*, in cooperation with all sectors of the Saskatchewan economy.

To protect our vital public services for future generations, we have launched major reforms in the delivery of those services, such as the wellness approach to health care. To protect our farm families and the rural communities which depend on agriculture, we are working with farmers and with their organizations to build new, more effective safety net programs for the future.

"Forging Partnerships in Agriculture," a discussion paper prepared by my colleague, the Minister of Agriculture, is a starting point for a province-wide consultation on how to build a more self-reliant and diversified agricultural industry.

To guarantee Saskatchewan's financial freedom our government has undertaken the most wide-ranging deficit reduction program in all of Canada. We are the only government in Canada to have actually reduced our operating expenditures.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — And with this budget, we are the first government in Canada to introduce a comprehensive balanced budget plan.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — A plan which will create jobs and strengthen our economy; a plan which will rationalize and improve the delivery of our services; a plan which will balance the budget within four years without any further major personal tax increases or cuts to government services.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — And a plan committed to compassion.

Mr. Speaker, while the excesses of the past may appear to limit our opportunities today, we remain confident about our future. We do not fear change; we embrace it and shape it to meet our needs and our values.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, the comprehensive balanced budget plan I introduce today is a clarion call to all of those who believe in Saskatchewan's pioneering spirit and in our timeless values of cooperation, community, compassion, and fairness. This plan will secure our future.

Mr. Speaker, a strong economy is a prerequisite to a balanced budget. That's why job creation is a key component of our balanced budget plan. We recognize that there are limits to what a provincial government can do to stimulate economic growth and create jobs. Saskatchewan is not an economic island. We cannot insulate people totally from the impact of federal policies or from the impact of changing world conditions. We understand only too well that the main economic levers — interest and exchange rate policy, banking and trade policy — rest with Ottawa.

That's why our government is raising its voice on behalf of Saskatchewan people in a call for a new national approach to economic development, one which focuses on creating jobs and strengthening the national economy.

Mr. Speaker, action has to begin at the national level. But we will not sit idly by hoping for positive action. We must do all we can as a province to create jobs now. This requires a new approach to economic development.

In the 1980s hundreds of millions of dollars went into megaprojects, draining our treasury and creating very few long-term jobs. Those days are over.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — No more give-aways. No more sweetheart deals. No more megadollars for megaprojects. It's time to give Main Street, Saskatchewan, a chance.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Developed in partnership with business, labour, and communities, our economic development strategy involves giving our co-ops and small businesses a competitive edge, encouraging new investment, promoting value added processing, pursuing new growth industries, improving our infrastructure, and maintaining our highly skilled workforce.

Mr. Speaker, Saskatchewan's co-ops and small businesses are the most effective job creation programs we have. They were responsible for creating two-thirds of all new jobs in this province over the past

10 years. Our government has recognized this job creation potential. In the 1992-93 budget we reduced the small business corporation income tax rate from 10 per cent to 9 per cent. I am pleased to announce that the rate will be further reduced from 9 per cent to eight and one-half per cent effective January 1, 1994, and to 8 per cent on January 1, 1995.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — This represents a 20 per cent reduction in income taxes for co-ops and small businesses, a huge incentive to expand and create jobs.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, new investment also means jobs. This budget will encourage new investment in our province. It includes improvements to Saskatchewan's labour-sponsored venture capital program. And it removes the education and health tax from 1-800 telephone services.

Some Hon. Members: Hear, hear!

(1445)

Hon. Ms. MacKinnon: — In addition, Saskatchewan people will again be given an opportunity to invest in their province. In 1992 Saskatchewan savings bonds were an incredible success. People demonstrated their faith in our province's future by buying more than a half a billion dollars worth of these bonds. Today I am pleased to announce a new issue of Saskatchewan savings bonds will be made available to our citizens in 1993.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, our economic success in the 1990s will depend on our ability to broaden the base of the Saskatchewan economy. The future contributions of our core industries will come from value added processing and new technologies, products, and services. This budget will stimulate value added processing and the development of new growth industries.

To encourage small-business investment and processing, I am pleased to announce a manufacturing and processing tax credit equal to 8 per cent of the value of eligible equipment required by small Saskatchewan businesses.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — In addition, our government will continue with the planned phase out of the educational and health tax on direct agents used in manufacturing and processing.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The rate will be lowered

from 5 per cent to 3 per cent on July 1, '93 and it will become zero on July 1, 1994. This tax reduction will encourage expansion and help create manufacturing and processing jobs.

Mr. Speaker, the jobs of tomorrow will depend on our ability to develop new technologies, new products, and new services for the global market-place. This means a continuing commitment to research and development. In spite of our financial difficulties, this budget maintains that commitment.

It includes \$12 million to develop new agricultural technologies, \$7.5 million for the Saskatchewan Research Council to assist resource and manufacturing companies, \$4 million for research to improve the effectiveness and efficiency of the health system, and \$1.5 million for the new Saskatchewan Energy and Conservation Development authority. In total, \$51 million will be invested in new growth opportunities to create jobs today and build for our future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — In spite of our severe financial constraints, our government will continue to invest in Saskatchewan's workforce. We have to maintain a skilled, highly trained workforce to take full advantage of new economic opportunities.

This budget provides \$550 million over the next two years for Saskatchewan's post-secondary education system.

Our government is also doing its part to provide summer employment opportunities for students. Partnerships '93 will create 2,000 jobs for students in regional parks, municipalities, and small businesses.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — We are also providing education, training, and employment opportunities for those most in need. The New Careers Corporation will implement a cost-sharing arrangement with southern municipalities and regional parks to create over 1,600 jobs.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — And programs to promote Indian and Metis training and employment will receive funding of almost \$14 million.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, local businesses and co-ops are the main engines of economic growth in our province, but our government believes that the public sector too has an important role to play. What no one company can do alone, our community can do together. In particular we recognize the public sector's role in upgrading and modernizing Saskatchewan's infrastructure.

I am pleased to announce that our government will help to create jobs this year by investing \$162 million in vital public projects, including \$76 million for highways and airports; \$19 million for rural roads and bridges; \$26 million for schools and universities; \$27 million for health care facilities.

Mr. Speaker, this investment in public infrastructure represents a 10 per cent increase over last year.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — It means more jobs for Saskatchewan men and women. Our Crown corporations will also help to create jobs this year with significant capital investments — \$520 million in construction projects will be undertaken by these public companies.

Mr. Speaker, this budget will encourage new jobs and economic development — small business cuts; new incentives for investment; new tax credits and other benefits for manufacturers and processors; new investments in research and development; a program to modernize and upgrade our public infrastructure; new education and training opportunities. These commitments will provide jobs today and will help secure our future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, agriculture is central to the health of our provincial economy. It represents 10 per cent of our gross domestic product and 17 per cent of our employed labour force.

This budget provides \$320 million in support to farm families and the agricultural industry. Yet despite massive federal and provincial spending over the last 10 years, the challenges facing farm families have not been resolved. Our families continue to struggle with a cash flow crisis brought about by low grain prices and in many cases heavy debt loads.

Governments need to recognize that the old ways haven't worked. We need new solutions, and those solutions must be national in scope.

Our agricultural industry competes in the global market-place. Our producers are battling subsidies provided to their competitors by the national treasuries of the United States and Europe. Our national treasury needs to back our farmers.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Unfortunately Ottawa has been going in the wrong direction. Instead of living up to its national responsibilities to protect agriculture, it has been shifting a larger and larger share of the burden onto producers and onto provincial taxpayers. We need a renewed national commitment to our farmers. We need new national programs that meet the needs of the 21st century.

Farm safety net programs like GRIP, the gross revenue

insurance plan, are fundamentally flawed. GRIP is a universal program based not on the needs of the individual producer, but on overall production. As a consequence, the larger the farmer, the larger the payment from the public purse.

Over 40 per cent of the funds paid out under the GRIP program in Saskatchewan end up in the hands of only 20 per cent of our farmers. We need new, more effective federal-provincial farm safety net programs for the future — programs targeted to those most in need, geared to recognizing the costs of production, and above all, designed to provide farm families with long-term income security.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Our government is committed to developing such a safety net program. To further that goal, we are announcing today our intention to withdraw from GRIP in two years time. By giving notice now, we can begin to work with other governments, farm organizations, and farmers themselves to develop a new, more effective farm safety net program for the future.

We are not serving notice to withdraw from NISA (net income stabilization account) at this time, because this program, with appropriate revisions, could form the basis of a new and more effective farm safety net plan.

Mr. Speaker, new safety net programs will take time to develop. But Saskatchewan farmers need cash now to help put the crop in the ground this spring. That is why our government will continue to press Ottawa for the critical third line of defence payment.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The federal government has an obligation to our farmers, and this government will do everything it can to convince Ottawa to meet that obligation.

Mr. Speaker, I said earlier in my remarks, budget deficits and the interest payments those deficits generate are the number one drain on our economy. They prevent economic growth. They destroy jobs. That is why a balanced budget plan is so vital to our economic future. We have to get our fiscal house in order.

Our government began that task last year with our first budget. We reduced operating expenditures by almost 4 per cent. Other governments increased their spending; we reduced ours.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Government spending is under control. However, revenue shortfalls, common to all governments in Canada this year, have put pressure on the 1992-93 deficit. Still, Mr. Speaker, I can announce today that the deficit for 1992-93 is projected to be \$592 million, 30 per cent less than in

1991-92.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The deficit for the coming year, 1993-94, will be \$296 million, a further reduction of nearly 50 per cent.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Today, Mr. Speaker, I am presenting a comprehensive plan with all the major spending cuts and revenue adjustments required to balance the budget by 1996-97.

We will balance the budget to provide Saskatchewan with the financial freedom to sustain economic growth and provide jobs for our young people, to protect our public services. These goals are fundamental to the quality of life for Saskatchewan families. These goals are what the balanced budget plan is all about.

I invite all members to read the budget paper entitled *Balancing the Budget — The Fiscal Plan* which I have tabled in the Assembly today. This is the plan that will put our fiscal house in order. This is the plan that will secure our future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — To achieve a balanced budget by 1996, our government did a thorough review of both government spending and government revenues. It was not an easy task. It required some very difficult choices.

First, let me review our decisions with respect to government spending. We decided that government spending had to be cut significantly. We started at the top. This budget continues the freeze on MLAs' salaries; the 5 per cent cut in cabinet ministers' salaries; the reductions in allowances for government members of the legislature with extra duties; and the freeze on out-of-scope salary ranges in the public service.

This budget also introduces a number of new spending cuts. Yesterday the Premier announced a major reorganization of government departments which will save taxpayers \$5 million annually and make the delivery of government services and programs more effective. In addition, our government is cutting 25 per cent of all agencies, boards, and commissions for savings of more than a million dollars a year.

In total, Mr. Speaker, this budget commits government departments to save \$15 million this year through internal . . . in savings and efficiencies, including reorganization, the reduction of duplication and overlap, maximizing the integration of services.

Mr. Speaker, this government knows full well that every dollar counts. There are hundreds of ways, big and small, in which we have cut waste and reduced

inefficiency in both government departments and Crown corporations. Here are just a few examples.

Computer contracts in the Department of Energy and Mines were renegotiated for savings of \$30,000. Internal operations in the Agricultural Credit Corporation were reorganized for savings of over a million dollars. SGI (Saskatchewan Government Insurance) negotiated a volume discount postage contract, saving \$138,000 a year. SaskEnergy consolidated office functions, saving \$252,000 a year.

Mr. Speaker, we have acted on many fronts to meet the demands of Saskatchewan people for a more responsive, more effective, and more efficient government.

Some Hon. Members: Hear, hear!

(1500)

Hon. Ms. MacKinnon: — Mr. Speaker, we are leading by example. But, Mr. Speaker, we cannot do it alone. Tackling our deficit requires all of us to work together. To succeed we need the support of everyone in the Saskatchewan community.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, this year about \$1.6 billion, 32 per cent of the provincial budget, will be transferred to health and school boards, universities, colleges, and municipalities — our local government partners.

With these funds they make their own decisions about the delivery of programs and services consistent with community priorities. We have already been forced to reduce our transfers to these third parties, and I know that this has required many difficult choices on the part of our partners. Today however I am calling on our partners to share further in the burden of reducing the deficit so that they can soon share in the benefits of balancing the budget.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Last year we provided third parties with a longer term commitment by announcing funding levels for two years. Today I am confirming the previously announced funding levels for 1993-94 and announcing the following reduction in funding levels for 1994-95: 8 per cent in urban and rural revenue sharing grants; 2.8 per cent in operating funds for hospitals; 4 per cent in operating grants for local school boards, universities, regional and federated colleges, and SIAST (Saskatchewan Institute of Applied Science and Technology).

There is no doubt that these funding levels will require difficult choices. But we are confident that local governments possess the creativity and the determination to meet the challenges in the best interests of their communities.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, difficult choices also had to be made with respect to programs provided directly by government. In making these decisions we had to ask ourselves if these programs were affordable, not just this year but in future years. One such program is the Saskatchewan prescription drug plan.

In February the federal government passed Bill C-91, which will significantly increase the costs of prescription drugs and therefore increase the costs of the drug plan. Forecasts show that the current drug plan will cost \$110 million a year by 1995.

Some would argue that a province like Saskatchewan can no longer afford a drug plan. They argue that the drug plan should be eliminated because most other provinces don't even offer a plan that provides benefits to families. Mr. Speaker, we reject that view.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — We will not eliminate the Saskatchewan prescription drug plan. To do so would mean serious hardship for some Saskatchewan families. Today I announce that we have redesigned a new drug plan which will protect those with low incomes and with high drug costs. We have created a Saskatchewan prescription drug plan which will be affordable today and affordable tomorrow.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — We have designed a plan that will protect those most in need.

Another extremely difficult spending choice was the children's dental plan. As you know, the school-based children's dental plan was gutted by the members opposite in 1987. The current program is costing taxpayers \$10.3 million a year and is not providing the province-wide coverage we all hope some day to restore to our province.

Our government has decided to limit the current program to children in low income families and to begin pilot projects which, if funds become available, could lead to the restoration of a province-wide children's dental plan.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The Minister of Health will be providing additional details on these and other changes to health care programs and services.

Mr. Speaker, across government we have used the principles of compassion and fairness to guide us in modifying more than 40 programs, making them affordable today and preserving them for our future.

Overall the 1993-94 budget cuts operating expenditures by \$142 million from 1992-93. In total this government has reduced operating expenditures

by 7 per cent over the past two years. We are helping to secure our future by requiring government to live within its means.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, reducing expenditures alone are not enough to solve this province's financial difficulties. We do not have the wide array of options which exist for a national government. We don't have a Department of National Defence or a helicopter program to cut. About 90 per cent of our budget is taken up by health, education, social services, agriculture and economic development, and interest payments. To cut more than we already have in those areas would cause real hardship for some Saskatchewan families.

To balance the budget and secure our future we must increase revenues. This is especially true in light of declining federal commitments for health, education, agriculture, and social services. Federal offloading is costing Saskatchewan taxpayers more than \$500 million each and every year. As a result, I'm announcing the following necessary revenue measures.

Effective April 1, 1993, the rate for the corporation capital tax resource surcharge will increase to 3.6 per cent.

Effective midnight tonight the fuel tax rate on gasoline, diesel, gasohol, and propane will increase 2 cents per litre.

Effective midnight tonight the education and health tax rate will increase to 9 per cent.

Effective midnight tonight the \$300 education and health tax exemption on the purchase of adult clothing, adult footwear, and yard goods will be removed. Children's clothing will continue to be exempt.

Mr. Speaker, all the major measures necessary to balance the budget in four years including the revenue measures I have just announced are included in the balanced budget plan being presented to this Assembly today. In other words, the balanced budget plan sees no additional major cuts in government programs or major increases in personal taxes.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — This balanced budget plan is not without risk. Our revenue and expenditure targets could be thrown off course by the state of the global economy, natural catastrophes here at home, or more particularly the actions of the federal government.

Federal offloading will undermine our balanced budget plan. We are hereby serving notice that this government cannot withstand any more federal offloading.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — But even in the face of these uncertainties we have shown the courage and the vision to put a comprehensive plan before the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — A plan to create jobs, strengthen our economy, protect public service, and balance the budget, a plan that secures our future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I do not deny that this budget requires sacrifice. But there are some in our midst who cannot be asked to sacrifice more. They have nothing left to give. Our strength as a society is reflected in our willingness to protect our weakest members.

By far the most vulnerable in our society are our children. Far too many live in poverty or unstable family situations. This budget acts to improve the lives of children and families. Assistance for working-poor families will be provided by increasing payments under the Family Income Plan. There will also be an increase in the monthly social assistance payments to families with children.

In 1994 the government will introduce a new child benefit plan to support children in low income families.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — This budget also provides almost \$18 million for programs that directly benefit our children, including funding for child care, children's hunger programs, and the revised dental program.

The pressures on families are enormous and many, sadly, suffer breakdown. To prevent such tragedies the government has introduced preventative programs designed to support families. This year we are increasing funding for these programs.

Increased funding will be provided for the family builders program which provides in-home therapy to families in crisis, and increased funding will be available for support services for troubled families.

Single parent women face special challenges. Single parent women need special support. There will be additional funding for infant care centres to help encourage single parents remain in school and finish their education.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The teen parent program for expectant teenage mothers will be expanded. And to ensure that parents live up to their responsibilities, \$1 million will be provided to enhance the enforcement

of maintenance orders.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Low income seniors on the Saskatchewan income plan will have their benefits increased. These seniors will also receive enhanced benefits under a number of other programs, including chiropractic and optometric services and the drug plan.

Seniors value their independence. To help promote this, funding for home care services has been increased to \$43 million, in part to fund a new wellness initiative to provide additional home care services for patients discharged early from hospital.

There will be a continuation of funding for family connections, a program designed to ensure that Indian and Metis children in need of protection can remain within their own cultural communities. The aboriginal court worker program designed to support Indian and Metis people at odds with the law will also be re-established.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, this is deficit reduction with a difference. This is deficit reduction which reduces expenditures but also shows compassion.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, today I have presented a plan to secure our future. A plan that creates jobs and strengthens our economy. A plan that protects public services by rationalizing the delivery of those services. A plan that balances the budget within four years. A plan with a difference — a plan with compassion.

There will be those who say that this plan moves too quickly to balance the budget. To them I say, in the 1980s government spent what they didn't have and left the bills to be paid by our children. That era is over.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — I'm going to leave my children more than just a stack of unpaid bills.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — There will be those who say we should not raise taxes. Of them I ask, how then would they balance the budget without eliminating the safety nets that protect Saskatchewan families?

Some Hon. Members: Hear, hear!

(1515)

Hon. Ms. MacKinnon: — Mr. Speaker, I will not apologize for the compassion we have shown in this

budget.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Compassion for those in need is one of Saskatchewan's finest traditions. I am proud to say that this government and this budget remains true to that tradition.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Finally, Mr. Speaker, there will be some who say that they did not create this deficit so they should not have to sacrifice to eliminate it. To them I say, you may not have created this deficit but neither did I.

Looking back and assessing blame won't solve our problem; looking forward and working together will.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, the eyes of our children are on us. They are looking to us for leadership, determination, and courage. They are counting on us to rekindle the true pioneering spirit of our great province. They want us to face our challenges head-on, to be bold enough to chart new courses, to be determined enough to make the difficult choices now, and to be visionary enough to look to the future with confidence and hope.

This is what we have done in our plan. We have acted today to restore confidence and hope in our province. We have acted today to secure our children's future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I move, seconded by the Deputy Premier, the member from Regina Dewdney:

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

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, I think it's appropriate that I stand today in this Assembly and say a few words on behalf of Saskatchewan taxpayers in response to the budget just delivered by the member from Saskatoon Westmount, the Hon. Finance minister.

And I think I can honestly say that, Mr. Speaker, because over the last year and a half, going on two years now, we have seen the most intensive PR (public relations), media, and political campaign that this province has ever seen in order to take some of the heat off of the member from Saskatoon Riversdale and his government over the promises they made to Saskatchewan people in the fall of 1991.

And what we have today, Mr. Speaker, is the culmination of that web of betrayal that is spun today in this document. Because in it the member from Saskatoon Westmount tries to give all sorts of reasons why Saskatchewan taxpayers should forgive this

Premier and his government for the promises that they made and didn't keep after October of 1991 — those promises, Mr. Speaker, about having no new taxes.

I've got two pages of quotes here, Mr. Speaker, that I won't read into the record today. I'm sure we'll have ample opportunity on other days in this debate to get to those.

For the Leader of the New Democratic Party, the hon. member from Riversdale, promised Saskatchewan people time and time again that he could live within \$4.5 billion, that he would have no new taxes, that he would not offload on Saskatchewan taxpayers and families; that he would simply eliminate some waste and mismanagement and then his superior management skills would come to the fore and everything in Saskatchewan — our health, our education, our social services, the quality of life of Saskatchewan people — would be enhanced.

Well, Mr. Speaker, unfortunately that didn't come about. Because I believe that the member from Riversdale, knowing full well what the economic situation of this province was because he had been told over and over again, never intended on keeping those promises; that after 25 years in the political life of this province he said, I'm going to be premier at whatever cost it takes; that I will promise Saskatchewan people one thing and I will deliver another.

And I think, Mr. Speaker, it's a sad, sad commentary on political life in this province when we would have so many promises made and so many promises broken and so many taxpayers' pockets picked in such a short time. It's no wonder people in this province say that politicians are ranking just about lower than anyone else on the Richter scale.

I look at a budget, Mr. Speaker, that should have had the leadership from the top, that should have had this Premier saying, I will cut my own. I will start at the top and show the leadership that is absolutely necessary to get Saskatchewan taxpayers to dig into their pockets for \$788 million alone in sales tax over the next four years. I will start at the top and do away with some of these cabinet ministers that don't particularly have any duties any more.

I mean it's one thing to shuffle the deck on the boat, Mr. Speaker, but after the chairs are rearranged and some of them are still standing up I think you should show them off to the galley, and the Premier refuses to do that. He would rather look after his friends than show the leadership.

The ratios in this government in this document, Mr. Speaker, are still 2:1 on the revenue side over the cuts that are absolutely necessary for this province to get to a financial position so that our children will be here in the future.

It should have been the other way around — for every dollar of new taxes there should have been \$2 of cuts. But we didn't see that kind of leadership today, Mr.

Speaker, from the member from Riversdale.

Today we saw the absolute betrayal of the agricultural community in our province, the betrayal started by the member from Rosetown-Elrose last year when he took away the ability of farm families in this province to have bankability and predictability and a decent insurance program in the face of whatever mother nature can throw at us, in the face of whatever the international commodity markets throw at the farm community.

And today we saw a further 18 per cent reduction in the largest sector of our economy. We saw a program taken away without a program to replace it with, and we simply lit up the blame thrower and we said it's all somebody else's fault.

Well, Mr. Speaker, farm families by the thousand have gathered around this province in protest against this government in the work started by the member from Rosetown-Elrose and obviously finished today by the member from Saskatoon Westmount.

And I say, Mr. Speaker, it is a tragedy because thousands of people around this province this spring are going to wonder about putting in a crop. They don't know how they're going to go to their banker. They don't know how they're going to go to the fuel dealer and the fertilizer dealer. And Main Street, rural Saskatchewan, looks awful dismal, Mr. Speaker, after what we saw brought down here today in this legislature.

You know, it's strange, Mr. Speaker, that we see the government bringing in what were ordinary line items in past budgets as major parts of a budget announcement today; when we talk about \$12 million in agricultural research, when in fact there was \$17 million the year before.

And that's why I say to you, Mr. Speaker, this budget is a web of deceit. It is going to take the accountants of the province months to figure out what's going on here, much less ordinary taxpayers. One only has to look, Mr. Speaker, to page 50 of the document and we see two different deficit numbers: one is an accrual number and one is a cash-in number. The deficit brought down by the Minister of Finance says 296.3; and yet if we use the system that we've been using since, I'm told, 1957, the number is actually 340. Which is it?

This government will stoop to no ends, Mr. Speaker, to weave that web of confusion, that web of mystery, that web of deceit, so that Saskatchewan taxpayers won't place the blame where the blame fully rests. And that's on the member from Saskatoon Riversdale who said to them, I can live within 4.5 and I will not raise any more taxes.

It's interesting, Mr. Speaker, when one looks at the offering to small business, the engine of growth, the people that employ the majority of folks in this province. They're saying to them, we're going to give you harmonization for eight months — April to

December — and if you're in the processing and manufacturing sector we're going to give you harmonization, that we're going to kick-start the Saskatchewan economy, we're going to get some jobs with eight months of harmonization in that sector.

Well, Mr. Speaker, the member from Riversdale rejected full harmonization of our economy at 7 per cent in 1991, full harmonization which would have kick-started many businesses, which would have provided employment, which would have had a tax refund of every businessman or farmer in this province, and he rejected that. He came up with studies and figures that said 7,500 jobs are at stake here — \$1.3 billion in economic activity.

The truth is, Mr. Speaker, we have lost 9,000 jobs from February of '92 to February of '93, and we probably have lost a billion dollars in economic activity because the member from Riversdale was so hidebound in his ideology that he would not do what was right.

And he talks about having a balanced budget in '96-97. Well, Mr. Speaker, he could have had it a lot sooner. If it's good enough to kick-start the economy, Mr. Speaker, for eight months in 1993, surely to goodness if he'd applied it to the entire business sector and farming community across this province, he'd have had a heck of a kick-start and balanced the budget to boot.

But would he do that, Mr. Speaker? No, we're going to tinker and we're going to fool around because we're afraid to admit our mistake. We're more worried, Mr. Speaker, about our political hide than what Saskatchewan taxpayers want done properly in this province.

Mr. Speaker, this province faces many challenges in the coming year. Net farm income is cast at \$241 million, the lowest level since the 1930s; \$241 million, Mr. Speaker, means bankruptcy and dislocation for thousands of people unless they have a government that is prepared to stand at their side, unless they have a government like one some 10 years ago when interest rates were 22 per cent in this province, that stood at their side and saved their homes and their farms because the member from Riversdale then wouldn't do it, and he's not doing it today.

(1530)

Mr. Speaker, I have five pages of rate increases in my hands here — five pages of rate increases. Very small ones — they're from \$10 to 75; they're from \$10 to 250 — but I say to you that the member from Riversdale and his government have been picking the pockets of Saskatchewan people from the day that they got in power.

Some Hon. Members: Hear, hear!

Mr. Swenson: — They have offloaded and offloaded and offloaded and it is a cost of doing business in each

and every household in this province. It is a cost that none of us can run away from except if we cross the border into the neighbouring province of Alberta. And I predict to you, sir, that by the thousands they will go across that border because of what this government has done.

Mr. Speaker, this offloading, this half a billion dollars in hidden taxes over the next four years is the ultimate betrayal of the member from Riversdale. This half a billion dollars that taxpayers, that property owners are going to have to suck up for their education and their health and the services that make our communities worth living in, that half-a-billion-dollar, hidden tax betrayal, Mr. Speaker, is why Saskatchewan people are going to reject that party.

That is why they're going to say to the member from Saskatoon Riversdale, if you do not start showing the leadership you got elected for, sir, if you don't start at the top with your cabinet and your friends, your hundreds of friends, then, Mr. Speaker, Saskatchewan people can't be expected to stay here and shoulder the burden, and shoulder the burden that is absolutely necessary to build our economy.

Mr. Premier, I'll give you one example before I adjourn debate today — one example. You had the option, sir, of selling TransGas, the pipeline utility, the utility that delivers natural gas all over this province, for half a billion dollars — half a billion dollars. And you still would have collected the tariff and the tolling and the royalties and the taxes. There wouldn't have been one RM (rural municipality) on the right of way of that pipeline that still wouldn't have got its taxes from a privatized TransGas.

The half a billion dollars the Premier could have received would have meant no offloading for the next four years, no offloading on Saskatchewan taxpayers at all, because the amounts are exactly the same. And he would have still collected his revenue as he does today.

And to top that off, Mr. Speaker, to top that off he wouldn't have had to sink another 64 million bucks into pipe in the ground that Saskatchewan taxpayers are going to have to pay for rather than the shareholders of a pipeline utility.

Well, Mr. Speaker, the Premier laughs at that. He laughs at that. But when the choices are made, Mr. Speaker, that each and every taxpayer in this province, every property owner in this province, is going to have to dig into his pocket and pay for the broken promises of the member from Riversdale, I think people would make the proper choice.

Mr. Speaker, I say to the Premier today: you still have the opportunity, sir, you still have the opportunity to show some leadership. And tomorrow you could come to this legislature and you could say to Saskatchewan people, Mr. Speaker, the Premier could say to Saskatchewan people, in retrospect I realize that leadership has to start from the top. And I'm announcing today that I

have cut my cabinet, that I have cut some of my friends in high places.

And I've dedicated those salaries, I've dedicated those salaries to the disadvantaged people that the minister from Westmount talked about — those people in our society that are without the proper health coverage because of this government, the people that will be without the proper dental coverage because of this government, the people that will be without an educational system that this Premier said would never be in jeopardy.

Mr. Premier, show the leadership that you got elected to provide this province. Come into this legislature tomorrow and start fresh, and don't believe your own rhetoric.

Thank you, Mr. Speaker, at this time I'd like to adjourn debate.

Debate adjourned.

Resumption of Budget Debate

Hon. Ms. MacKinnon: — I move, seconded by the House Leader, the member from Regina Elphinstone:

That the debate on the motion that this Assembly do now resolve itself into the Committee of Finance be resumed on Friday, March 19, 1993.

Motion agreed to.

The Assembly adjourned at 3:37 p.m.