

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
February 16, 1995

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Goohsen: — Thank you, Mr. Speaker. I have a petition I'll read the prayer of:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program towards double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

And as in duty bound, your petitioners will ever pray.

I'd be happy to table these now.

Mr. Swenson: — Thank you very much, Mr. Speaker. I also have petitions today. Once again these are from citizens of Saskatchewan along Highway 42. And I'll just read the prayer, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate the total amount of funds garnered from the taxpayer for fuel tax, vehicle licence fees, and provincial sales tax on new vehicles toward the maintenance and capital costs of Saskatchewan roads; and further, that the Government of Saskatchewan dedicate any monies available from the federal infrastructure program towards Saskatchewan's road system, rather than provide these sums toward capital construction of casinos in Regina and Saskatoon.

As in duty bound, your petitioners will ever pray.

And I would lay these on the Table today, Mr. Speaker.

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 petitioning the Assembly to allocate adequate funding dedicated toward the double-laning of Highway No. 1.

And of citizens of the province petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

NOTICES OF MOTIONS AND QUESTIONS

Ms. Haverstock: — Thank you very much, Mr. Speaker. I have three notices of motions that I'd like to introduce respecting first readings for Bills.

I give notice that I shall on Monday next move first reading of a Bill, An Act to provide for the Enforcement of the Code of Ethical Conduct for Members of the Saskatchewan Legislative Assembly (anti-corruption Act).

I give notice that I shall on Monday next move first reading of a Bill to amend The Freedom of Information and Protection of Privacy Act.

And I give notice that I shall on Monday next move first reading of a Bill, An Act respecting an Economic Strategy for Saskatchewan.

STATEMENTS BY MEMBERS

Saskatchewan Special Olympics Society Winter Games

Mr. Cline: — Thank you, Mr. Speaker. I want to report to the House that on Saturday morning I'll have the privilege of representing the government at the opening of the Saskatchewan Special Olympics Society Winter Games in Saskatoon.

And 150 athletes will compete in events like figure skating, speed skating, snowshoeing, downhill and cross-country skiing. Medalists will advance to the national Special Olympics in Calgary.

These games are sponsored by the Saskatchewan Special Olympics Society which is a non-profit organization providing sport, fitness, and recreational opportunities to over 2,000 mentally challenged individuals across our province. And they also offer daily programs in over 80 communities in our province.

Mr. Speaker, we often talk in this legislature about inclusion, the right of every individual to participate in our economic, social, and recreational life. We have here, I think, a perfect example, and all should be congratulated who are involved in it, including Saskatchewan Lotteries, SaskTel, the U of S (University of Saskatchewan) law students, the Knights of Columbus, the Kinsmen Club of Saskatoon, and the Sons of Norway, as well as all who contribute financial and volunteer assistance.

And of course, Mr. Speaker, I'm sure all of us will want to — in advance — congratulate all of the athletes who are participating and wish them a hope that swiftness, grace, and agility, will be with them all.

Some Hon. Members: Hear, hear!

Scott Tournament of Hearts

Ms. Hamilton: — Thank you, Mr. Speaker. Besides it being a red-letter day in Saskatchewan — you may wonder why I'm dressed in red — well, it's to honour the Scott Tournament of Hearts national women's curling championship that will get under way this weekend in Calgary.

Usually each province and territory sends one representative team to this tournament, but Saskatchewan has the distinction for the second year in a row of having two teams at the championship. The Sandra Peterson rink, comprised of Sandra Peterson, Joan McCusker, Jan Betker, Marcie Gudereit, and Anita Ford, ensured a spot at this upcoming championship by winning the national event and the world championship in 1994.

Mr. Speaker, I had the honour of being present at the official send-off for the Peterson team, which has been dubbed "Team Canada" on this past Tuesday at the Caledonian Curling Club. I know that all curling fans and enthusiasts are very proud of Sandra Peterson's foursome, and look forward to following the Scott Tournament of Hearts February 18 to 26.

The Sherry Anderson rink from Prince Albert won the provincial title and will be representing Saskatchewan at the tournament. The Anderson rink made its first appearance at the national championships last year and finished third. This team, comprised of Sherry Anderson, Kay Montgomery, Donna Gignac, Elaine McCloy, and Twila Fisher, has the right chemistry and is a task-orientated team. They have high expectations and attribute much of their success to their coach, Ron Myers.

Mr. Speaker, I know all hon. members offer their best wishes and good luck to both of these fine teams from Saskatchewan as they pursue the same goal. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Health Care in Shaunavon Constituency

Mr. McPherson: — Thank you, Mr. Speaker. I would like to acknowledge the fact that it was one year ago today that an agreement was signed involving this government and the Rural Health Coalition.

The coalition represented many communities in my constituency including Ponteix, Kincaid, Climax, Mankota, and most communities just beyond the boundaries of the Shaunavon constituency including Gull Lake and Vanguard, Coronach, Rockglen, Lafleche, to name but a few from south-west Saskatchewan, Mr. Speaker.

These towns signed a deal in good faith guaranteeing their residents, among other things, emergency services, acute-care services, 24-hour on-duty nursing, observation and assessment to meet required needs, and support services to fill any shortcomings that may exist. In the 12 months which have

passed since this agreement was signed, Mr. Speaker, it has become clear that many aspects of the agreement which the government committed to have not been delivered upon.

Given the fact that we now have a new Minister of Health the ball is now in his court. He must determine if the level of health care in these communities will continue to erode, or if the people of these towns and villages will have returned to them a safe, reliable health care system they rightfully deserve.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Provincial Taxes

Mr. Martens: — Thank you, Mr. Speaker. This question is directed to the Premier. As you know, Mr. Premier, we have continued our Mr. Premier, I want to know . . . initiative this year. And in just a few short weeks, we have received over a thousand pieces of correspondence, the vast majority of which deal with taxes and big government.

Before we head into the budget, we would like you to face some of the questions being asked of your government by the taxpayers who have borne the brunt of your policies.

This question comes from Jayson Thompson from Prince Albert. Mr. Premier, I want to know when our provincial tax will be lowered or discontinued. Sooner or later the Saskatchewan government will have to face up to the fact that the large numbers of people moving away from our province is mainly due to over taxation. The majority of these people are young. When you're out of school and trying to make it, it only makes it harder.

Will you give them an answer, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I'm pleased to answer the question. I'm sure the hon. member will tell Mr. Thompson that the jobs creation record in Saskatchewan has been very, very impressive. January of 1995 to January of 1994 has seen an increase of 11,000. December of 1994 to December of 1993 has seen an increase of 15,000. And November of '94 to November of '93 has seen an increase of 11,000. In fact since 1992, there have been 7,000 new jobs created, and there are more opportunities for more young people.

Now the hon. member asks about taxes, and of course we want to see that taxes are reduced. But I repeat again, as I did yesterday in question period, that it does, I think, sound a little strange coming from the mouths of the opposition parties that call for reduction in taxes, based on the fact that Mr. Thompson will no doubt be told by you that it was your administration and your government of which you're a part and a supporter thereof that nearly bankrupted this province, necessitating the kinds of actions which we have taken which the Minister of Finance

later on today will speak to. We are doing all that we can to reduce taxes, maintain the quality of life, and pull this province out of the mess created by the official opposition parties.

Some Hon. Members: Hear, hear!

Government Finances

Mr. Neudorf: — Thank you very much, Mr. Speaker. My question is also to the Premier, and two things, Mr. Premier, I want you to be cognizant of.

These are not our questions. These are the people, of the people of Saskatchewan, so please keep that in mind during that period of time.

Secondly, Mr. Premier, while you so brazenly gloat about your job creation, remember that we are sitting here with 1,000 jobs fewer in 1995 than there were in 1991. And those are the facts, Mr. Premier.

I have a question from you from Mr. Sam Enns, a constituent of mine from the town of Dalmeny. And he asks — and these are his words — it is no secret that you have theoretically balanced this year's budget with substantially higher taxes and utility rate increases, coupled with a bonanza in farm profits and the unexpected sales in oil and gas leases. What do you do for an encore when oil and gas rights and farmers' profit margins, both being extremely cyclical in nature, inevitably drop? Given the NDP's (New Democratic Party) love of nationalization, constant labour bias, and your undying respect for contractual law, can you really expect business to move in droves to Saskatchewan to take up the slack and help pay down the interest on our debt, let alone tackle the principal?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Well, Mr. Speaker, at least the hon. member had the humility — and thank goodness for him that he did — to acknowledge that these were not his questions or the PC (Progressive Conservative) Party caucus questions, because it would be absolutely shameless of them to stand up and say that they were their questions, talking about honesty and budgeting and financing. So to that extent I have to compliment the hon. member opposite, and at least compliment Mr. Enns that he puts his question.

Again my answer to Mr. Enns is much like the first question put by the member from Morse. The dilemma that we were faced on November 1, 1991, was occasioned by profligate spending where you spent \$1 billion a year more every year, on average, over the nine years that you were in administration than you brought in by way of revenues. That's why we're in this mess. That's why we had to take a balanced approach to the budget. And I tell you that we have made a tremendous turnaround. All the people of Saskatchewan have helped very, very much in doing so. I also get . . . (inaudible interjection) . . . Yes, it was a great Saskatchewan comeback, and it is, and I give it credit to the people of Saskatchewan.

But I also get these letters that the Leader of the Opposition and members of the opposition refer to. I got one today from a person from Regina. It says this:

Mr. Premier, (and I want to give this because it gives the answer) I want you to know that your government is doing a great job. Keep up the good work. The best part is to see the deficit come down so that my grandchildren don't have to pay for the money spent — that was created in the '80s — that wasn't there to spend.

Signs this particular person, Ms. Ast-Collins. I have many of these.

That's what the ordinary people of Saskatchewan say because they see, and what they see is this: that we are managing the province's finances responsibly and properly and business is reacting, and Saskatchewan is on the verge of a brand-new day dawning. Don't try to spoil it with your doom and gloom all the time.

Some Hon. Members: Hear, hear!

Income Tax Rates

Mr. Devine: — Thank you, Mr. Speaker. This question will be from a Saskatchewan resident and it has to do with taxes. Mr. Premier, as you know there are two basic approaches being talked about in Canada to balance budgets. One is one of cutting taxes, as we see in Conservative governments in Alberta and in Manitoba, and the other is in raising taxes as we see here in Saskatchewan with the NDP. Both may result in balanced budgets but one obviously is quite a bit more popular than the other. And this question comes from Tracy Brailsford from Lumsden and it is, and I quote:

Mr. Premier, I want to know why you consider \$42,000 per year income as being high income. According to the Saskatchewan tax form in the income tax return, we see that's the case. My husband finally earns a reasonable but not high income and yet we have to pay an extra 15 per cent tax. How do you expect a young couple with kids to get by on paying these extra taxes?

Hon. Mr. Romanow: — Well, Mr. Speaker, the humility which was exhibited by the member from Rosthern unfortunately still isn't being exhibited by the former premier and my friend from Estevan. He asks this question of me after having sat in the treasury benches for nine years and presided over the fiscal destruction of the province of Saskatchewan.

The former premier is dead right. There are at least two different ways in which to approach deficit cutting in the budget: the Alberta, the one that you seem to subscribe to and the one that the Liberals seems to subscribe to, less government; without telling us, by the way, what else from government you want to cut, what else you want to cut — neither the Leader of the Liberal Party nor you, sir, have said that — or the way that we try to do it.

And I want to tell you that in Saskatchewan and Alberta — I had my Finance people do a little analysis of this — if they did their books in Alberta as we do ours, the per capita expenses in Alberta would amount, for the basket of services that the people get there, roughly \$4,700 per capita compared to our 4,100 after Premier Klein's announced reductions. Forty-seven hundred to 41 after his reductions.

I want to tell you that under Statistics Canada, if you look at the global figures with respect to Statistics Canada, we average 9.9 civil servants per thousand; they average 12.3 per thousand after the reductions. They have \$900 per capita in revenue flowing from oil and natural gas by accident of geography; that's what the oil and natural gas is. If I had that, if you had that, perhaps we wouldn't have to raise the taxes. But we don't have that.

And most importantly, their government didn't leave, like you left to us, a 14 to \$15 billion debt, interest payments in the amount of \$800 million a year of taxpayers' dollars going to Hong Kong and Zürich and London so that they can get rich, rather than having that money stay here for the people of the province of Saskatchewan. I say to you, sir, we're setting this province on the right course and . . .

The Speaker: — Next question.

Some Hon. Members: Hear, hear!

Government Expenses

Mr. Britton: — Thank you, Mr. Speaker. Mr. Speaker, I too have a question from a constituent to the Premier. Mr. Premier, this question comes from Phyllis Ludlow of Balcarres: I am a senior and I am now fed up to my teeth with increased costs. The threat of increased taxes and the degradation of the health care has me greatly concerned. When are you going to reduce government spending? And please, no increase in taxes of any kind.

Hon. Mr. Romanow: — Mr. Speaker, I'm also pleased to answer this question on behalf of Ms. Ludlow from the hon. member from Wilkie. I said yesterday the following, and I want to repeat this to the House: 1990-91 operating expenses — we were not yet in office — 1990-91 operating expenses were \$4.54 billion. That's the operation of government — schools, roads, hospitals, and so forth. In 1994-95 mid-year — we're getting a budget in a few moments — that figure was down from 4.54 to 4.24, or a reduction of \$300 million less money for programs.

I already gave you the Alberta comparisons on a per capita basis compared to Saskatchewan on a per capita basis. And we did that, as the *Prairie Messenger* has pointed out, in extremely difficult circumstances compared to Alberta.

So I say to the hon. member opposite, this propagation of a myth — and that's what it is — by you and the Liberals, the Liberals and the Conservatives each trying to out right-wing

each other about us not being efficient in government, is absolutely false by every statistical and absolutely every objective analysis.

Look, you can argue this ideologically, you can be rhetorical, you can be political, but for goodness sake, do not try to change the plain, bald facts and truths.

Some Hon. Members: Hear, hear!

Tax Reductions

Mr. Swenson: — Thank you, Mr. Speaker. I am very pleased today to bring to the Assembly from G.W. Gilchrist from Saskatoon . . . perhaps the Premier knows him.

And he says: Mr. Premier, I want to know why you are reluctant to let the people of this province help build the future by putting more money into our pockets through massive tax reductions. Also, why are you dishonestly taxing us through monopoly Crown corporations? That's from Mr. G.W. Gilchrist from Saskatoon.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Well, Mr. Speaker, again I welcome these questions, because I say to the official opposition and to the opposition parties, with the greatest of respect, this is the least credible line of questioning that you could ever adopt, especially on budget day, as budget day today is. But nonetheless, that's your choice . . . oh, sorry, I forget, Mr. Speaker, these are not their questions; they're the questions of the public, so I take it back.

I say to you, Mr. Former Opposition Leader, that I can do no better than to quote the *Prairie Messenger*. These are not the words of myself as Premier, but the words of the *Prairie Messenger* on the situation which we inherited from your administration in 1991:

The current Saskatchewan government inherited a mess proportionately far greater than that bequeathed to Klein, and Saskatchewan has not known the oil and gas revenues which have graced its western neighbour. Yet the success Saskatchewan has achieved in balancing its . . . (budget) makes. . . (the accomplishments in Alberta) seem quite trivial in comparison.

Quite trivial by comparison. I say to the questioner that wrote to you, that what you should tell that person is what the people of Saskatchewan are telling me in the same requests of information you ask that they give to me.

Here's one:

Where were you, Bill Boyd (the one that I got), when Grant Devine was so busy putting our province in debt? You're expounding on all the faults of Romanow's government who is putting this province back together

and trying desperately to get us out of debt. So tell Roy where you were and why you didn't speak out then. I and many others would like to know.

That's my question to you, Mr. Member.

Some Hon. Members: Hear, hear!

Size of Government

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, it's obvious the Premier has a captivated audience here today and he's certainly taking full advantage of it. But I think, Mr. Premier . . .

The Speaker: — Order, order.

Mr. Toth: — I think, Mr. Premier, you are doing the public of Saskatchewan a great disservice when you continue to reiterate the fact that the questions are kind of trivial when they're coming from people who have specific interests.

And I would like to direct this question from Mr. J.M. Seitz from Zehner. Mr. Premier, I want to know why Saskatchewan needs such a big government. I want to know why we have to pay so much tax to keep funding big government.

Hon. Mr. Romanow: — Mr. Speaker, I want to make it absolutely clear that I don't belittle any of the questioners, nor do I belittle anybody who happens to be in the Chamber here watching this very important day, probably the most important day in our legislative session — the budget.

Unlike you, sir, I think these questions are very valid questions. I'm saying the questions should be directed to you because you're the one who got the province in this particular mess. You're the person who has gotten the province at the point where we had the largest per capita deficit of all the provinces in Canada, and still probably have one of the largest if not the largest per capita debt, although that is also being tackled under the administration that we've inherited since November '91.

But you keep on repeating this notion about big government. How many times do I have to tell you, sir, that in 1990-91 it was \$4.54 billion. In 1993-94, the mid-year term . . . '94 mid-year report, it was 4.2 operating. That's not big government — that's a reduction of 300 million.

Now look, I know you're not going to accept it. I know the Liberal leader can't accept it. You people are in opposition. You have to oppose. You've got a very tough time opposing the budget. You've got a very tough time opposing what we've done for three years so you're grasping at straws to oppose anything.

I know your job. I was there as opposition leader. The only difference, the only . . .

An Hon. Member: — And you will again, Roy, you will again.

Hon. Mr. Romanow: — Yes, I was there. The only difference was that when I got up to oppose, I had so many things to oppose that obviously the people of Saskatchewan agreed and elected us.

Some Hon. Members: Hear, hear!

Cost of Government

Ms. Haverstock: — Thank you very much, Mr. Speaker. Yesterday the Premier denied that there was any excess in his office, Mr. Speaker; that 88 people earning average salaries of \$48,000 a year were absolutely essential to his performing his duties; that he couldn't get by with one less person. These 88 people make up the largest political staff for any premier's office in western Canada, and Saskatchewan has the smallest population.

By April 1994, Mr. Speaker, 101 nurses had lost their jobs in the city of Saskatoon. The emergency ward at City Hospital had to close at night to save \$200,000 a year — the equivalent of 4.5 of the Premier's 88 personal assistants that he cannot possibly function without.

Mr. Speaker, my question is for the Premier this afternoon. If, Mr. Premier, you had chosen to reduce the size of your own office, to bring it into line with New Brunswick, with Manitoba, or even Alberta, the \$2 million saved could have kept the emergency ward open and saved 45 full-time nursing positions.

What were the principles upon which you have made your choices about your own office, sir?

Hon. Mr. Romanow: — The key principle, Mr. Speaker, I say to the Leader of the Liberal Party, was to have full and complete accounting of every person located in my office. Because when I inherited the premiership, we found out that superficially the numbers on the Premier's office indicated perhaps fewer numbers, but when we assumed office we found that there were all kinds of executive assistants buried away in every kind of a Crown corporation or ministerial office or every other agency. In fact this has been identified by the Gass report.

And what we did was what you wanted us to do: put it up front and make it accountable. And therefore everybody who works for the Premier's office is identified in the Premier's office.

It is unfair, it is political, it's desperate politics to be sure, to compare on this basis: 9.9 per 1,000 civil service is the ratio in Saskatchewan; your favourite beacon, Alberta, is 12.3 per 1,000. And take a look at what it is in your other favourite beacon, the Liberal provinces.

Now look, I have 88 people; they're all accounted for. At least they're there. I wish the Leader of the Third Party would get up and tell us about how many people were there, at least for a short time, in her office, and exited. Probably more than 88.

Some Hon. Members: Hear, hear!

The Speaker: — Order. Before we continue, I would ask the members in the galleries not to participate in the debate by either applauding or whatever method you may use.

Ms. Haverstock: — Thank you very much, Mr. Speaker. We are talking about political staff, Mr. Speaker. We are not talking about a professional civil service in the province of Saskatchewan.

Mr. Speaker, this is not just about money, and it is certainly not the trivial issue that the Premier would like to make it today. This is about principle, it is about integrity, and it is about choices.

The choices this government has made about spending precious tax dollars is indeed going to be its legacy, and the choices show precisely where this Premier and where his caucus, his government, place their priorities. This government has departments with budgets that would be unheard of in other provinces, including the Provincial Secretary and Executive Council.

My question again is to the Premier. How can you defend your choice between keeping the Provincial Secretary, which has increased some 200 per cent under your administration and a surplus of 41 political assistants, rather than keeping the children's dental plan alive? Or sustaining chiropractic service levels? Or avoiding cuts to mental health services and alcohol and drug abuse programs in the province of Saskatchewan for our citizens?

Will you please stand and defend your choices.

Hon. Mr. Romanow: — Mr. Speaker, I have no problems in standing and defending our choices, nor do I have any problems in standing and defending our professional civil service.

I think again it is — if I may say so very gently — uncharitable, to put it mildly, for any responsible political leader to refer to people as the deputy minister to myself as being an unprofessional civil servant. He's worked for the federal Liberal Party governments; he's worked for Conservative federal governments. And if one wants to get into that game, without putting too fine a point about your particular situation in this regard — which I will refuse to do — I think is unbecoming. That's my first point.

My second point is it gets a little bit tiresome to hear the Leader of the Liberal Party talk about principle and integrity as if she's the only person in the whole world who's got principle and integrity. If you've got so much, tell us about all these people that are coming in from Alberta to help your campaign out, and tell us if they're in your office being paid by the public under the communications allowance, or in your office and being paid for by the political party. You know the people I'm talking about. Everybody knows about them. You give us accountability there before you get up on principle and integrity.

And I say to the Leader of the Third Party one more time, as I sit down in answering this question, it is unfair to say in any one department this is what happens. It is your job to tell the people of Saskatchewan, if the government is too big, what will you do away with? Where will you cut in Health? Where will you cut in Education? You can eliminate all 88 people in my office and you'll pay for three days of interest payments on the interest of the public debt — maybe four. Then tell us what you're going to do for the next 363 days. Will you have the courage to tell us that?

The Speaker: — Order, order. Next question.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Speaker, we have a government that has made choices, and it has made choices not to reduce the size of its own government before going to the taxpayers of this province over and over again. Yesterday the Premier launched into a speech about how frugal a government he runs. He said the government was saving money and we just shouldn't be adding the interest on the debt. Okay, let's take it out.

Mr. Speaker, my question is again to this Premier. Your government spent, without interest payments, \$64.981 million more in 1994-95 than the previous year. How, sir, does this equate to reducing the cost of government for the people of Saskatchewan?

Hon. Mr. Romanow: — Well you know, perhaps the Leader of the Liberal Party should talk to her very dear friends and cohorts in the federal Liberal Party. And perhaps she's not talking to them these days, because she was very much in favour of gun control at the May Liberal convention. That is an undisputed fact. And at that point . . .

An Hon. Member: — Answer the question.

Hon. Mr. Romanow: — I'll answer the question I want to answer. I listened to your question; I'm going to answer the way I want to answer.

And I say to the Leader of the Liberal Party, you were for gun control in May, and so therefore your Liberal kissing cousins in Ottawa loved you. Then you came out in Saskatchewan, realized the people thought this was unnecessary bureaucracy and red tape and cost, and you flip-flop. Now you're against gun control. So maybe you're not talking to them.

But you should be talking to them, because I tell you as much of the increase in those numbers which you have indicated are due exactly because of the offload of your Liberal counterparts in Ottawa on unemployment insurance changes, on the reserve status with respect to the social service programs, and a whole host of variety of other areas where they have dumped on the provinces right across the country. If you've got a complaint, because we've had that increase, take it up with Mr. . .

The Speaker: — Next question.

Some Hon. Members: Hear, hear!

Provincial Budget Measures

Mr. Boyd: — Thank you, Mr. Speaker. My question is for the Premier this afternoon.

Mr. Premier, earlier this afternoon, earlier in question period, you heard from the opposition what Saskatchewan people think of big government, big spending, the attitude of your government. And people all across this province have been writing us with regard to that, Mr. Speaker. And you, Mr. Premier, stand and call their questions not credible. I can't believe that, Mr. Premier. These questions didn't come from the opposition, they came from people all across this province. And there is no relief in sight. In today's paper the Finance minister says there's no cause for immediate tax relief. Instead you hold future tax cuts as an election gimmick.

Mr. Premier, Saskatchewan taxpayers have heard that tune from you before, during the last election campaign. You promised no new taxes, and then you raised every single one of them.

Mr. Premier, will today's budget make meaningful cuts on both sides of the ledger? Will we see cuts in government spending, and will we see those cuts passed along to the Saskatchewan people in the form of tax relief?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Well, Mr. Speaker, all I can say to the Leader of the Opposition is of course stay tuned, because I think the next agenda item is the budget speech and you can make your own judgement. But I'll bet my bottom dollar that when most of the people of Saskatchewan are going to be rejoicing in the accomplishment and the turnaround, you'll find some reason to be negative.

I want to tell you that I do not criticize any of the people who have written to you and the many who have written to me on your ask-the-Premier questions — not at all. I criticize you for having the audacity to get up under the guise of these innocent people and portray somehow this problem as a problem of our making when it is a problem of your making, your making, your making, and your making.

And I say to you, sir, everybody in Saskatchewan who's been watching what we've been doing in this province will reject the notion of slashing and hacking and destroying government. When you talk about less government, what you're really talking about is no government. That's what the Liberals and the Conservatives stand for; we don't. We believe government is no more, no less, than the people. And the people want a quality of life; they want good health care; they want good education; they're prepared to pay fair taxes, fairly applied; they want reduction in government. And we're going to provide them. Stay tuned.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Hon. Mr. Lingenfelter: — Mr. Speaker, if I could, as it relates to questions 1 and 2, I hereby table the answers.

The Speaker: — Answers to questions 1 and 2 tabled.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

Hon. Ms. MacKinnon: — Mr. Speaker, I have a message from His Honour 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, 1996, and supplementary estimates of certain sums required for the service of the province for 12 months ending March 31, 1995, and recommends the same to the Legislative Assembly.

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

That His 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, there are many special guests in this legislature today. With your indulgence I would like to begin, as in other years, by introducing four of these guests to the Assembly. First — and I'd ask them to stand please — my husband, Peter MacKinnon, who is also the dean of the law school at the University of Saskatchewan; my son, Alan MacKinnon, who is a grade 10 student and a wrestler; my son, William MacKinnon, who is a grade 7 student and soccer and basketball player; and my neighbour, Bill Kinloch, who is also a veteran of the Second World War.

Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, it gives me great pleasure to rise today to present Saskatchewan people with their first balanced budget in over a decade.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — But, Mr. Speaker, what I am presenting here today is not just one balanced budget. I'm pleased to announce that the budget for the current year, 1994-1995, will be balanced.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Further, the budget I am presenting today for 1995-1996 will also be balanced.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, this is not just two balanced budgets. I'm proud to present our new financial plan which projects three more balanced budgets through 1998-99.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, that is five consecutive balanced budgets, a half decade of sustainable, balanced budgets.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — This is an achievement in which all Saskatchewan people can take pride. Each and every one of us has made our contributions to this success. Each and every one of us has done our part. Saskatchewan has gone from the brink of a financial crisis to being the first province in Canada to balance its budget.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Once again, Saskatchewan people have led the way. We are a model for the rest of the country. We have shown the nation how to meet the challenges of a changing world with courage, vision, and compassion. We did it with a common sense plan, the balanced budget plan.

The plan set specific goals and targets. It built for the future by stimulating economic growth and creating jobs. It remained true to our community's fundamental values of caring, compassion, and cooperation. The plan succeeded because of the hard work and commitment of Saskatchewan people. We did it together.

Some Hon. Members: Hear, hear!

(1415)

Hon. Ms. MacKinnon: — Since 1991 we've gone from a deficit of \$842 million, one of the highest per capita deficits in Canada, to being the first province to achieve sustainable balanced budgets. We've gone from negative economic growth in 1992 to one of the strongest growth rates in Canada for the last two years. We've travelled from a time of uncertainty and insecurity to a time of confidence and security.

A half decade of balanced budgets establishes a solid and secure foundation for Saskatchewan's future. Now is the time to

build on that foundation together.

Mr. Speaker, I'm pleased to present today our new financial plan for Saskatchewan's future, a plan which will prepare us for the 21st century. The debt management plan I am tabling today includes a strategy to pay down the debt so that our children and our grandchildren will not be burdened with our bills.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — A strategy to move toward the ideals of full employment and full employability; a strategy to improve our quality of life by improving on health and education programs; a strategy to allow Saskatchewan people to reap the rewards of their past sacrifices.

Because we have come so far in just three years, we've earned the freedom to dream new dreams for ourselves and for our children. Saskatchewan people have a right to ask: will this new plan work? I can tell them with confidence it will, because it builds on what we've already accomplished together.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Sound financial management is a precondition to economic growth. Business is reluctant to invest in a province that cannot manage its money. Saskatchewan's recent fiscal record has restored confidence in our economy.

Moreover, stimulating economic growth was one of our key strategies in balancing the budget. We reached our deficit targets not only by cutting spending, but also by promoting economic development to increase our revenues.

There are many examples. We redesigned our oil and gas royalty structure to encourage more exploration and production. We changed our approach to agriculture to encourage diversification and more value added production. We provided targeted tax reductions to business to encourage investment.

Our approach is paying dividends. Over \$1 billion was invested by our oil and gas industry in 1994. Annual oil production is up more than 15 per cent and hundreds of jobs have been created.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Realized net farm income in 1994 is estimated to be \$925 million, 69 per cent higher than the previous 10-year average. Farm cash receipts are the highest in the history of this province.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Retail sales increased by more than 9 per cent last year — the best performance since 1982. This revival in consumer confidence helped create more than 850 jobs . . . 8,500 jobs in our service industries in 1994.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — This is a solid foundation upon which we can build; and we will, by making jobs our number one priority, by making our long-term ideal full employment — everyone needing a job should have one — by continuing to implement our economic development plan, *Partnership for Renewal*.

The 1995-96 budget provides increased financial support for regional economic development authorities. This budget provides support for the Saskatchewan Research Council to help companies develop and market their new ideas and technologies — help to turn good ideas into good jobs.

This year government departments and Crown corporations will spend more than \$825 million on capital projects across the province — creating jobs today while investing for the future.

Another \$20 million has been committed to the Transportation Partnerships Corporation. This unique corporation will enter into new partnerships with private businesses, communities, and other levels of government, to improve the quality of our roads and highways — creating jobs today while investing for the future.

The Saskatchewan infrastructure program will continue, with a total investment of \$91 million for over 320 projects ranging from roads to a biofermentation plant — creating jobs today while investing for the future.

To enable our municipalities to maintain and improve their services, this budget commits 10 per cent of VLT (video lottery terminal) revenues to local communities. Revenue-sharing grants will continue at this year's level in both in 1995-96 and 1996-97.

Building stronger communities is an important part of this budget; so is helping business create jobs. Since 1991, a component of our job strategy has been targeted tax reductions to business. Over the last four years our government has reduced the corporation income tax rate for Saskatchewan small businesses by 20 per cent. The small business tax rate in Saskatchewan is now 8 per cent, the second lowest provincial rate west of Quebec.

The budget I am presenting today builds on our strategy of targeted tax reduction tied to job creation. Effective March 1, 1995, the fuel tax on aviation turbo fuel will be reduced from 7 cents per litre to three and a half cents per litre.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The fuel tax on aviation gasoline for commercial or business purposes will also be effectively reduced to three and a half cents per litre. Our government will press the airline industry to increase its fuel services and improve airline service to the province.

Mr. Speaker, we are committed to processing and manufacturing our resources within Saskatchewan rather than exporting processing jobs. An example of the benefits of value added processing is Canamino. Using biotechnology research, this company processes oats into a fine powder which is used in cosmetics. The export value of a tonne of raw oats is a little over \$80. The value of a tonne of the processed powder is \$9,000.

By promoting value added processing, we are finding new uses for our agricultural products; at the same time, we are creating good, long-term jobs for Saskatchewan people.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — We have encouraged the expansion of our manufacturing and processing industries in a number of ways, including the elimination of the education and health tax on direct agents. This strategy is paying dividends. Manufacturing shipments grew by over 17 per cent in 1994, the strongest growth in over a decade.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Two thousand new manufacturing jobs were created in 1994.

Mr. Speaker, I'm pleased to announce that we are building on this solid foundation by introducing, effective midnight tonight, a non-refundable 9 per cent investment tax credit. This tax credit will apply to capital purchases in support of manufacturing and processing activity in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The credit will be applied against corporation income tax payable and will effectively reduce the cost of capital expansions in Saskatchewan.

In addition, effective July 1, 1995 the corporation income tax rate for manufacturing and processing firms will be reduced. The amount of the tax reduction will be tied to a company's presence in Saskatchewan. The more business activity and jobs located here, the more the tax rate will be reduced.

For Saskatchewan-based companies, the corporation income tax rate for manufacturing and processing will be reduced from 17 per cent to as low as 10 per cent, the lowest of any province in western Canada.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — These tax changes will encourage further expansion of our growing manufacturing and processing companies and create good long-term jobs for Saskatchewan people.

Adding value to our products is also a key component of our agricultural plan, *Agriculture 2000*. To encourage

diversification in agriculture, our government has created the agri-food innovation fund. This fund will enhance research and development in areas such as speciality crops, livestock, and non-food use of agricultural products. This is an important link in building on our agricultural biotechnology strength.

Where would Saskatchewan farmers be today without canola? We developed canola here by investing in the necessary research. Last year Saskatchewan farmers grew almost a billion dollars worth of canola. By investing today to promote the development of new products, we are looking to the future. We want new products, expanded opportunities, and greater income security for our farmers today and into the future.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Providing security for farm families is also the goal of our farm safety net programs, which have three components: the whole farm stabilization account provides protection against drops in income by encouraging saving during good years; the sector program provides protection against drops in revenue from grains, oilseeds, and specialty crops; and crop insurance provides protection against production and quality losses.

Through the new safety net programs, crop insurance, and the farm fuel program, the Government of Saskatchewan will contribute more than \$350 million to agriculture this year.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, our strategy to achieve our long-term ideal of full employment involves building on our agricultural strength, promoting value added processing and biotechnology, using targeted tax cuts to business, investing in infrastructure, and working in partnership with others in the community.

Full employment must go hand in hand with full employability, ensuring that our people have the education, skills, and experience they need to get a job. We need jobs but we also need people with the skills, training, and experience required for those jobs. That's why we're working with the federal government to improve our training programs by providing better information about job prospects; working more closely with communities, education institutions, and industry to determine what kind of practical training will be required today and into the future.

We are also committed to linking training and the workplace more effectively. That is why we are expanding our apprenticeship programs; that is why we are helping business provide immediate training, so that Saskatchewan people can secure the new jobs resulting from our economic comeback. That is why we are providing more funding to public training institutions, to allow them to give Saskatchewan people the skills they need immediately.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Our youth merit special attention. Across Canada unemployment levels for young people are too high. Young people have told us they need help getting that first job so they can get work experience. We have listened. We are acting.

Mr. Speaker, JobStart will provide new training and employment opportunities for young people to help them get that important first job. JobStart will provide work-based training that will lead to sustainable employment for young people who don't have a post-secondary education; opportunities for post-secondary graduates to begin their careers with small and medium-sized growth firms which need the expertise of graduates to develop new products and ideas; help for young people to move from welfare to work, but who also need training, counselling, and support.

This budget will also assist another 2,400 students to get summer jobs to help them pay for their education and gain work experience.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The 1995-96 budget also creates new summer jobs in reforestation. Due to poor forest management practices in the past, thousands of hectares of land were not properly restocked. We are beginning the long process of eliminating this backlog. Reforestation helps to preserve our environment, which is so crucial to our high quality of life, the same time it creates jobs for our young people.

Preparing our youth for the challenges of the 21st century requires a quality and accessible education system. Mr. Speaker, I'm pleased to announce that funding for local school boards, universities, regional and federated colleges and SIAST (Saskatchewan Institute of Applied Science and Technology) will continue at this year's levels in 1995-96. In 1996-97, there will be a 2 per cent increase in funding to these institutions.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Financial barriers to higher education will be lessened by improvements to the student aid program. These changes will help ensure that student loans more accurately reflect the true cost of living. There also will be a special grant program targeted at high need, under-represented, and disabled students.

Geographical barriers to education will be reduced with a distance education initiative. More than 100 education sites will be connected with the information highway. Because of this exciting new initiative, children and adults in rural and northern Saskatchewan will have access to advanced technical training right in their own communities.

Quality education and good health are key contributors to our high quality of life. To save medicare, we had to change our health care system. Our system was outdated. It was out of step with health realities, such as the declining need for

hospitalization and the greater awareness of prevention. The system was not coordinated. Its costs were sky-rocketing and it was not fully meeting people's needs.

Our plan, working together toward wellness, is creating a people-centred health system by spending less on institutions and more on services for people.

Some Hon. Members: Hear, hear!

(1430)

Hon. Ms. MacKinnon: — Placing control of health services in the hands of local people. Giving people more control over their health by emphasizing prevention. Providing health services as close as possible to people's homes.

Already much progress has been made. Cumbersome and costly administration has been cut and services have been expanded. More than 400 health boards have been replaced by 30 locally controlled district health boards. These health boards are cutting administrative costs. For example, in Prince Albert 13 management and administrative positions have been eliminated. The savings are being used to enhance home care services.

Home and community-based services have also been expanded. For example, the Saskatoon district health board has reduced expensive acute care services by over 5 per cent. These savings are being used to enhance home care services by nearly 60 per cent, and community-based services by nearly 20 per cent.

Our health care changes have been internationally recognized. For example, the Pan American Health Organization said the efforts being undertaken in Saskatchewan could serve as an inspiration and impetus for change in our member countries.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Now is the time to build on this solid foundation and provide health boards with the resources they need to improve the locally controlled home-based and preventative programs that people want and need.

Home care is one of the cornerstones of seniors' independence. We have already increased funding for home-based services by nearly 60 per cent since 1991. But people, especially seniors, have said they want further improvements.

We listened. We are acting. We are investing in home and community-based care to meet the practical needs of people. With the 1995-96 budget, funding for home-based services will have increased by over 90 per cent since 1991.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — This commitment to home and community-based services will allow districts to reduce fees, to make home care more accessible, improve palliative care, and offer respite for family members of the chronically ill.

District health boards are already working on improvements to services as a result of the additional support provided in this budget. For example, Swift Current is providing round the clock home care services. The Battlefords is developing a program so that more patients can receive quality health care at home rather than in institutions.

To take health care into the 21st century, we are also investing in a province-wide health information system which will help eliminate the waste and inconvenience of duplicate testing, determine which tests and treatments actually help patients. Our continued progress in renewing Saskatchewan's health system means that by the year 2000 we will have a sustainable system that is there when it is needed, provides the best and most appropriate care, prevents injury and disease, and is locally controlled by local communities.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, everyone in Saskatchewan contributed to eliminating the deficit. Everyone did their part. In return, this government gave two commitments. First, that we would work continuously to eliminate waste and reduce the cost of operating government. We are living up to that commitment.

Since 1991 we have reduced the cost of running this government by over \$75 million through such measures as cutting cabinet ministers' salaries by 5 per cent; reducing the number of government departments. This year, another \$5 million will be saved by implementing further common sense changes. Examples include implementing an energy management and conservation program for government buildings; processing Saskatchewan savings bonds applications in-house.

Further, I make the commitment that this government will continue to review, on an ongoing basis, government operations to ensure that services are being delivered as cost-effectively as possible.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Our second commitment to Saskatchewan people was that as times improved, our finances improved, taxes would be reduced. Because we have achieved sustainable balanced budgets, we will meet our commitment to reduce taxes.

Mr. Speaker, I'm pleased to announce that effective July 1, 1995, the deficit surtax will be eliminated for lower income earners and significantly reduced for all other provincial taxpayers.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — This will be accomplished by providing an annual reduction against the surtax of \$150 per taxpayer and \$300 per dual income family. This reduction will

mean 6,000 lower income taxpayers will no longer pay Saskatchewan income tax.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Two-income families earning up to \$34,000 will no longer pay the surtax.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Two-income families earning up to \$65,000 will see their surtax reduced by more than 50 per cent.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The tax cuts in this budget are responsible and affordable. Saskatchewan people can be secure in the knowledge that these tax cuts are sustainable — today, tomorrow, and into the 21st century.

Because the deficit has been eliminated, the money raised from this surtax will now be used to assist in paying down the debt. The debt reduction surtax reflects our commitment to paying down the debt as outlined in our debt management plan. I'm pleased to table that plan today.

Now that we have achieved sustainable balanced budgets, it's time to set out a new plan for the future and to begin to pay down the debt. People have told me many times they never want to return to the 1980s.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The 1980s, when government gave irresponsible tax cuts, overspent, and racked up huge debts. We've already taken steps to guard against this by opening the books of the province. People are now being shown a true picture of the province's finances. The laws of the province require timely release of the public accounts, full disclosure of the activities of Crown corporations, and the use of accrual accounting, which forces the government to budget today for its commitments, a bit like a family being forced to throw away its credit card and live within its means.

These and other changes have prompted the Provincial Auditor to report the government moved from providing what the Financial Management Review Commission viewed as the weakest and least useful financial statements in Canada to providing one of the most useful financial statements issued by a senior government in Canada.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — We have come a long way in improving accountability. And we have come a long way in ending the mortgaging of Saskatchewan's future. In the 1980s an average of \$1 billion a year was added to the province's debt. One goal of our balanced budget plan was to stop adding to that debt.

The next goal is to reduce that debt. Paying down the debt is like reducing the mortgage on one's house. As the debt is repaid, interest payments decline, leaving more revenue for other purposes. We have begun to reduce Saskatchewan's debt.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I am pleased to announce that for 1994-95 not only did we balance the budget, we project a \$119 million surplus.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — For the first time in over a decade, we are reducing debt rather than adding to it.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The process of paying off Saskatchewan's mortgage has begun. We have taken the first step on the road to even greater financial security for our children and our grandchildren.

Mr. Speaker, in 1994-95, by operating with a budget surplus, by reducing Crown corporation debt, by renegotiating megaproject deals, we will reduce the province's debt by \$540 million.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — In one year, our total debt will be reduced by over half a billion dollars.

This is a giant step forward, but it is still only the first step. We are building on this solid foundation with our debt management plan and balanced budget legislation.

Our balanced budget legislation will force governments to set out long-term financial and debt management plans for sustainable balanced budgets.

Our debt management plan outlines how we are going to allocate surpluses and reduce the debt. From April 1, 1994 to March 31, 1999, this debt management plan will reduce Saskatchewan's total debt by \$1.2 billion.

Some Hon. Members: Hear, hear!

(1445)

Hon. Ms. MacKinnon: — In 1994 our total provincial debt amounted to 70 per cent of Saskatchewan's gross domestic product. By 1999, this 70 per cent will be lowered to 51 per cent.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Over the next four years our debt management plan gives equal priority to three objectives: one-

third will go to paying down the debt; one-third will go to reducing taxes; one-third will go to improving our quality of life by helping to create jobs, educating our youth, and improving our health system.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — The goal of our first financial plan was creating sustainable balanced budgets. That goal has been achieved.

Our new financial plan outlines how, with planned, regular payments, we can pay down the mortgage on Saskatchewan.

Mr. Speaker, today we are turning our back on past problems and fixing our gaze firmly on tomorrow. We are leaving behind more than a decade of deficits. We are beginning a new era of greater financial security and freedom. We can look with enthusiasm to a brighter future. A future where economic growth and jobs are our main priority; where our quality of life can be improved; where we can dream new dreams for ourselves and for our children.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Together we have earned new freedom. But Saskatchewan people have also learned from the past to use our freedom responsibly and wisely, with moderation and balance.

There will be those who say we should have spent more on programs and services. To them I say we cannot return to the days of spending money that we do not have. There will be those who say we should have cut taxes more. To them I say, remember the 1980s when irresponsible tax cuts led to higher deficit and higher taxes.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — There will be those who say that all of our additional money should have gone to paying down the debt. To them I say, repaying the debt is important but we must almost meet the needs of people today.

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — My friends, we have come a long way together. We still have some distance to go. But let us reflect with pride on what we have achieved together. We have secured our future. We have delivered on our promise to our children and grandchildren — there is a new day dawning for Saskatchewan. Thank you.

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. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, Mr. Premier, hon. colleagues, ladies and gentlemen.

I rise with honour to respond to the budget speech on behalf of the official opposition and the taxpayers of Saskatchewan. Mr. Speaker, a reduction in deficit financing is what every government should strive to achieve.

The speech delivered this afternoon by the hon. Finance minister represents a balanced budget for which the government deserves its due recognition. The government also deserves recognition for how it achieved the balanced budget, but this recognition is one that the members opposite will not so eagerly like to hear.

Let's talk about how you did it, Madam Finance Minister. Mr. Speaker, it doesn't take an accountant to note that this budget will be balanced entirely, entirely on the revenue side of the ledger. The budget clearly shows that a huge increase in oil and gas activities, much improved agricultural income, increased export activities, and a massive increase in tax revenue, were the primary catalysts for the reduction in the deficit.

Mr. Speaker, I'd like to briefly examine each of these. Mr. Speaker, I'm from the oil patch, and yes, it's booming. Last year the government received 250 more millions of dollars than it budgeted for from the oil and gas sector — a quarter of a billion dollars more than it budgeted for.

This year, this year they're projecting revenues of \$416 million. How did this come about? How did this come about, Mr. Speaker? It's not what the government did, but it's what they didn't do.

Remember how the members opposite hated the oil companies? Remember prior to 1991 when those members considered the people of the oil and gas industry to be the great robber barons of the world? If they became government, they said they were going to raise oil and gas revenues and make those big, bad oil companies pay.

Well last year, well last year, Mr. Speaker, it almost happened. Until somebody over there figured out that maybe the oil and gas sector wasn't so bad after all. Maybe they created lots of jobs and economic activity across this province. And so, Mr. Speaker, they left, they left the taxes on oil and gas virtually untouched. They got out of the way, to the benefit of the entire province.

The same thing applies to agriculture. Except for our friends in the pork industry, Saskatchewan agriculture has turned around as a result of good crops and an increase in commodity prices. We can thank the weather for the crops and less government for the increase in the prices. A planned reduction in international tariffs was the answer.

The same goes for trade. Mr. Speaker, Mr. Premier and his caucus colleagues dashed the Free Trade Agreement and NAFTA (North American Free Trade Agreement); two agreements which are substantially reducing the role of governments in exports and imports. Well not any more. These agreements are now being embraced by the provincial government and the export of Saskatchewan goods and services to the U.S. (United States) and Mexico are now one of the saviours of our economy.

Again, Mr. Speaker, somebody over there finally figured out that less government would be good for trade and good for Saskatchewan. The concept is simple: get government bureaucracy, red tape, tariffs, and taxes, out of the way of free enterprise and watch them go. Watch them grow.

Unfortunately, Mr. Speaker, this same, simple concept was not followed all the way through. The government decided that more revenue, more revenue, could be squeezed out of Saskatchewan people. Mr. Speaker, to go through the litany of income tax increases, PST (provincial sales tax) increases, utility rate increases, and fee increases, would take the rest of my limited time this afternoon.

Saskatchewan people, Saskatchewan people, are now burdened with one of the heaviest tax loads in this entire country, the heaviest tax load in this entire country. Last year revenue from taxation was up another \$250 million from the previous year. This year they estimate another 30 million on top of last year.

Crown Corporation revenues are reaping record profits from utility rate increases, so much in fact the government transferred an additional 75 million to general revenue. And they're finding even new ways to soak Saskatchewan families. The Premier decided that farm families didn't have it bad enough already so he took nearly \$190 million from their GRIP (gross revenue insurance program) premiums and threw it into general revenue.

And the government members are proud of this. The self-esteem that beams from the Finance minister and the Premier serves to illuminate the truth, that this budget displays the fruits of a bumper harvest on the hard-working men and women of Saskatchewan.

Mr. Speaker, have you ever seen a government so proud of this accomplishment? Have you ever seen a Premier so pleased with the hundreds of millions of dollars generated through income taxes, provincial sales taxes, utility rates and fees — so pleased that the hard-working men and women of this province are really under the load?

Take the case of the baker from Saskatoon, Waverly Stechyshyn who said in the *Star-Phoenix* and I quote:

How do I feel when I hear the government talking about balancing its budget? I feel depressed. Why? Because where does it come from? It all comes from small business, from taxpayers.

He went on to say that:

Taxes, you gotta pay this, you gotta pay that. I mean, if I hadn't had to cover all these increased costs, I could hire more people or pay my employees more, or they could spend their money and create more sales.

This comes from the front lines of the war fought on the wrong battlefield, Mr. Speaker, and it speaks to the very heart of the Premier's tax and spend policy.

And economists agree with business and working people. University of Saskatchewan economics professor Eric Howe said, and I quote:

"The NDP is getting us out of our provincial budget deficit through higher taxes and higher utility rates," . . . "The effect of both of those things is to weaken job growth."

Mr. Speaker, I couldn't have said it better myself. However someone else has said it better. This individual said on May 2, 1991, and I quote:

. . . taxes are the silent killer of jobs . . . enough is enough . . . higher taxes do not create jobs, higher taxes take jobs out of the economy.

That of course was none other than the Hon. Premier from Saskatoon Riversdale, just months before he launched into the most ambitious tax grab in the history of this province, the fruits of what we see in today's budget.

Mr. Speaker, he had a choice. There was an alternative. He could have had the courage to start with his own government. He could have reduced spending. He could have just looked west to Alberta to see how deficit reduction can be done in conjunction with economic development — just look west — because truly, Mr. Speaker, this is the tale of two provinces. Alberta was faced with a massive deficit similar to Saskatchewan for many of the same reasons. Alberta has a Premier who had the courage to cut cabinet, cut spending, cut MLA (Member of the Legislative Assembly) pensions, and hold the line on taxes.

Saskatchewan has a Premier who chose 18 cabinet ministers; increase spending in 19 of 26 departments in this budget; increase overall spending by half a billion dollars since 1991; and keep his own million-dollar pension. All in the favour of tax increases to the average Saskatchewan family.

(1500)

Mr. Speaker, according to *Maclean's* magazine, total government spending in Alberta will have dropped 18.5 per cent, with revenues up only 7.2 per cent since 1992. In Saskatchewan, in Saskatchewan, total government spending has increased by 3.2 per cent, up 3.2 per cent, with revenues, taxes, up 25.2 per cent since 1991. Both provinces are balancing their

budgets ahead of schedule, but the tale of the two provinces doesn't end here. There's another chapter to consider.

The Alberta Premier created 79,400 new jobs since taking power, compared to the Saskatchewan Premier's loss of 1,000 jobs. In its mid-year report, the Fraser Institute said:

Alberta gives Canadians the ideas needed for revamping the contract between government and the people. In short, it provides a framework to move away from the dependency on government to self-sufficiency.

Checkmate, Mr. Speaker. I can understand now why the Premier of Saskatchewan told Premier Klein that he really wasn't NDP.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Mr. Speaker, clearly the people of Saskatchewan wanted their Premier to cut before taxing, and they got the exact opposite. They believed the Premier. They believed the Premier when he promised the PST was going to be gone on October 21, 1991. They believed the Premier when he said, enough is enough; no new taxes. They believed the member from Riversdale when he said, \$4.5 billion is enough of government spending. And now you spend \$5 billion — \$500 million more than in 1991 when he took over office. That's why the people of this province voted for him.

They don't believe him any more. They don't trust him, and it's no small wonder. In spite of having enough tax money to balance the books last year, in spite of having more than enough to balance the books this year, the Premier's Finance minister said in today's paper that she won't reduce taxes now. She says the NDP plan to gradually reduce taxes over the next four years in a budget that will double — that will double as the NDP's election platform. She is saying, no tax relief until you vote us back into government.

And the Liberal leader agrees. She is quoted in the same article as saying only the government is in a position to determine which taxes to cut and when the timing is right.

The translation, ladies and gentlemen, the Liberal leader is really saying, vote for me and if I'm in government, I'll decide if and when your taxes will be reduced.

Mr. Speaker, people don't trust politicians. People don't trust the Premier, people don't trust me, and they certainly don't trust the Liberal Leader of the Third Party, who continues to be everything to everyone, promising 300 . . .

The Speaker: — Order, order. I think we should allow the member to have his say this afternoon.

Mr. Boyd: — Thank you, Mr. Speaker. The Liberal leader, the Leader of the Third Party, continues to try to be everything to everyone, promising already — and we're not even into an

election campaign — promising already, Mr. Speaker, \$350 million in government spending.

So how do we avoid the tax-and-spend policies and the politics that all governments love to employ, Mr. Speaker? The solution is simple. Take the decision away from the politicians and give it back to the people. The people know, the people of this province know we've hit a tax wall and they're not going to take it any more.

It's time for the taxpayers to start restraining government instead of the other way around. Grievance before supply — what a novel idea, Mr. Speaker, and it works. It works.

The experience of 23 American states suggests that taxes shrink in proportion to the constitutional control that citizens enjoy over the public purse. In the 23 states with tax and expenditure limitations, per capita spending fell from 6.4 per cent above the national average the first year they were enacted, to an average of 1.7 per cent above the U.S. national average.

Yet when the official opposition brought forward legislation just the other day to bring this about for Saskatchewan people, the Premier squealed like someone who had his piggy bank taken away from him.

Mr. Speaker, . . . (inaudible) . . . contains a provision that will force the provincial government to go to the people that they serve before they raise any more taxes. That means that in any given circumstance the Premier must cut his own spending first and foremost.

We asked the Premier just yesterday, Mr. Speaker, if he would support our legislation that hamstring the spending habits of his government and of all provincial governments in the future. All he said was that he's got his own legislation on the drawing board.

Mr. Speaker, we've heard what he's been proposing. To be kind, it's weak and ineffectual. The Premier's proposals allow the government to run a deficit and to tax Saskatchewan families at will. And if you allow it to happen, it will happen, Mr. Speaker.

The Premier even says that on many occasions deficits are necessary. The Premier said it's easy to run up a deficit in Saskatchewan. In fact, he told the chamber of commerce just last December that he doesn't want to be forced to balance the budget every year because, he said, and I quote: a government can't control or plan for calamities like drought, a bad harvest, or a sudden decline in resource prices. Well what a revelation from the benches opposite.

Mr. Speaker, in the mid and late 1980s, that's exactly what happened. And yet the Premier viciously attacked the deficits of the 1980s. He called those years Saskatchewan's darkest hour. But when asked if he believes he should be forced, he should be forced into balanced budgets, these things are now viewed by him as unforeseen events that government can't possibly

forecast. It's that kind of policy and fiscal two-step that has the people of this province fuming, Mr. Speaker.

The Premier says he's not NDP to other premiers when he's away from home. The Finance minister says she wouldn't dare lower taxes because the resulting economic development and job creation for Saskatchewan people would mean we might lose transfer payments from the federal government — a classic welfare mentality, Mr. Speaker.

The former Labour minister and now Associate Minister of Finance says that Saskatchewan business people are ruthless and greedy. It's all very confusing, Mr. Speaker, because, like this budget, these comments are based on fundamentally flawed thinking. The budget process which led to this balanced budget was as simple as tax, squeeze, and intimidate.

Contrary to the thinking, Mr. Speaker, the official opposition has brought forward an alternative to the government's deficit reduction, one based on what we hold is a better way because it's based on ideals and beliefs which originated from the bottom up.

Mr. Speaker, our actions are based on the following. We believe in the almost unlimited capacity of the individual and that government should be . . . should allow the individual the maximum freedom to create and to achieve and to prosper. We believe in individual rights and freedoms, but we also believe that with every right comes an equivalent amount of responsibility and that people must take responsibility for their actions. We believe in law and order. We believe that we should start restraining government instead of restraining the individual.

We believe in small business as the catalyst of our economy and that small-business men and women do not need direct help from government to build our economy and create jobs. All they need — all they need is for the government to get out of their way.

We believe that government's compassion should not be measured by the number of people receiving government assistance, but instead by the number of people who no longer require government assistance. And we believe that the most important social structure in our society is not government; it is the family. And that most government programs aimed at families, no matter how well-intentioned they may be, do not build stronger family values but in many cases serve to erode those family values.

Mr. Speaker, this is what I believe. This is what my party believes is what we will deliver.

Mr. Speaker, knowing that this budget, this budget is built on the backs of Saskatchewan taxpayers, I will not be supporting it. There is much more to say and much more to do, Mr. Speaker, but in the interests of time I would move that this budget debate be adjourned until tomorrow's session.

Some Hon. Members: Hear, hear!

Debate adjourned.

Resumption of Budget Debate

Hon. Ms. MacKinnon: — Thank you, Mr. Speaker. I move, seconded by the member from Saskatoon Riversdale:

That the debate on the motion that this Assembly do now resolve itself into the Committee of Finance be resumed on Friday, February 17, 1995.

I'd like to change that to: seconded by the member from Regina Dewdney.

Motion agreed to.

The Assembly adjourned at 3:13 p.m.