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| **Province** | **Législature/Legislature** | **Session** | **Type de discours/ Type of speech** | **Date du discours/ Date** | **Locuteur/Speaker** | **Fonction du locuteur/ Function** | **Parti politique/ Political party** |
| Nouvelle-Écosse / Nova-Scotia | 55 | 2 | Discours du Budget/ Budget Speech | 24-04-1992 | Charles Macneil | Minister of Finance | PC |

**Nova Scotia: Budget speech, April 24, 1992.**

HON. CHARLES MACNEIL: Mr. Speaker, pursuant to notice given by me on April 16, 1992 and the Rules and Forms of Procedure of the House of Assembly, I have the honour, by command, to present a message from His Honour the Lieutenant Governor of the Province of Nova Scotia, relating to the Estimates of Sums required for the service of the province for the fiscal year ending March 31, 1993, which is:

"The Lieutenant Governor of the Province of Nova Scotia transmits Estimates of Sums required for the Public Service of the province, for the year ending March 31, 1993, and in accordance with the provisions of the Constitution Acts, 1867 to 1982, he recommends them to the House of Assembly.

Mr. Speaker, at this time I wish to table the message from His Honour the Lieutenant Governor transmitting the Estimates for the consideration of this House, table the Estimate Books, table the Estimate Resolutions, deliver my Budget Speech, and move the Estimates of Sums required for the service of the province for the fiscal year ending March 31, 1993, being Supply to be granted to Her Majesty be referred to the Committee of the Whole House on Supply.

I am most pleased to present to the House of Assembly my first budget as Minister of Finance for the Province of Nova Scotia. Preparing your budget, Mr. Speaker, is a complex and gruelling procedure that is dependent on the efforts of many. So before beginning my formal address I would like to thank all of those who have assisted me during the last few weeks in reaching the document that we have here today, but in particular I would like to thank our Premier for his leadership and the direction in which our fiscal policy is going. I would like to thank my Cabinet colleagues for their cooperation in developing this fiscal plan. Particularly, I would like to thank my colleague the Honourable George Archibald and his staff at Management Board for the tremendous work they did in coordinating the expenditure schedules to go with our budget.

Within my own department, Mr. Speaker, I must thank, most especially, my Deputy Minister, Allan Manuel, Marilyn Gaudet, Liz Cody and Alison Currie for their tremendous amount of work, including their missing the Easter weekend.

Throughout the past year, Mr. Speaker, Nova Scotians have faced considerable challenges. Like all Canadians, we have had to deal with the continued effects of an international recession. The slower pace of economic activity across many businesses and industries of this province has required both government and the private sector to implement measures aimed at increasing efficiency and cost-effectiveness.

"Nova Scotia is at a watershed. The choice is between pretence and tinkering on one hand or inviting Nova Scotians to take charge of their own future on the other hand. . . I don't think there is any easy road." Those, Mr. Speaker, are the words of former Nova Scotia Premier Robert L. Stanfield.

In that vein, your government sought the views and ideas of Nova Scotians from all walks of life. Public consultations across the province earlier this year formed an integral part of the budget planning process. The consultations afforded the government the opportunity to clearly lay before the public the financial realities we face as Nova Scotians and to listen to Nova Scotians' views and recommendations on developing a long-term solution.

The recession has affected many people in this province. Some have been dealt severe hardships by events they could not control, often requiring them to make very difficult decisions. Your government, Mr. .Speaker, is in the same circumstances. The necessary government actions that were begun in last year's budget, while difficult, have been effective in keeping government expenditures in line. Had the province not received the support of most Nova Scotians in implementing these cost-saving initiatives, our financial situation today would be much worse.

The recessionary pressures of the last year dramatically affected provincial tax revenues and federal transfer payments. As the former Minister of Finance told Nova Scotians in October of last year, revenue estimates had to be revised substantially downward due to the prolonged economic slow-down. At the same time, the need for services for those Nova Scotians most severely affected by the recession continued to place considerable pressure on many departments of government, most especially the Department of Community Services. Consequently, the province's operating deficit for 1991-92 turned out to be much greater than our expectations of one year ago.

Our economic projections call for a slow but steady turnaround from the recession. In the medium term, revenues for the province are anticipated to grow at a moderate pace.

As we clearly heard during the consultation process, government must continue its commitment to improve efficiencies, streamline public sector expenditures in an effort to continually improve the fiscal situation of this province in the years ahead. Toward that end, the three year fiscal plan of this government calls for an overall program expenditure to remain level for the years 1992-93 and 1993-94, and a growth rate of 3 per cent in 1994-95. That means overall government program expenditure growth of 0 per cent, 0 per cent and 3 per cent for the next three, years.

Nova Scotians have come to better appreciate the financial difficulties their government faces as a result of slow revenue growth and increasing costs of supplying essential services, such as health, education and social services. Nova Scotians repeatedly stated in the consultation process that governments, lik~ ordinary citizens, must learn to live within their means.

It was clearly stated that the protection of the essential people services for health, education and necessary support those in need must be accomplished without increased taxes. The need for greater accountability of spending of the taxpayers' dollars was repeatedly emphasized as part of the long-range plan.

In response to the concerns and views of Nova Scotians, I am pleased to announce:

There will be no tax increases in this year's budget.

Essential programs and people services in the areas of health, education and social services will be maintained.

This budget will also provide for measures that will stimulate the small business sector, which the government recognizes as one of the most important engines of economic growth in this province.

We are confident that by continuing to work with Nova Scotians to:

establish our program priorities;

improve government efficiencies and effectiveness;

act upon the economic strategies developed by Voluntary Planning; and create a competitive and attractive investment climate,

we will be successful in securing a pace of economic recovery that will ease the hardships and improve the overall quality of life for the people of this province.

Before dealing with this year's fiscal plan, I would like to highlight the economic circumstances of the province over the past year and those projected for 1992-93. The economic climate, both provincially and Canada as a whole, has had a significant impact on the fiscal position of the province for 1991-92 and the development of our new fiscal plan.

While Nova Scotia's economy was affected by the same recessionary trends that plagued all of Canada and all of the Western world throughout the past year, the extent of our slowdown was somewhat less severe than in other parts of the country. This is demonstrated by the fact that total economic output of Nova Scotia declined 0.7 per cent in real terms in 1991,

compared to a 1.5 percent decline for Canada as a whole. Helping to sustain Nova Scotia's economy last year were certain areas within the mining, fishing and forestry sectors. These strengths were offset by weaknesses in construction, tourism and some of the service industries.

Nova Scotia is expected to experience a slow but steady rate of recovery through 199293. Real growth in our economy is forecast to be 0.9 per cent for 1992. Recovery within the various sectors is expected to be mixed. Continuing lower rates of inflation and lower interest rates are expected to improve consumer confidence somewhat in 1992, providing for a marginal recovery in the level of retail sales this year.

At the outset of 1991-92, the province was estimating a deficit of $191.8 million on its operating account. This target was based on anticipated revenue growth of 3.5 per cent and expenditure growth of 4.9 per cent. Difficult cost-saving measures were implemented in last year's budget to achieve spending targets. These were considered necessary, given the anticipated slow growth in revenues and the significant financing costs that would have been involved with incurring further debt.

Revenue projections were based upon anticipated marginal growth in the provincial economy during 1991. Since the implementation of last year's fiscal plan, however, the recession has deepened and persisted beyond the expectations of any government one year ago. The economy of central Canada has suffered major setbacks throughout the year and the positive growth anticipated for the Nova Scotia economy failed to materialize. Both of these factors played a significant role in the decline of revenues for the province in 1991-92.

Ordinary revenues for the province for the last year are now forecast to be $159 million below the estimate in last year's budget.

The dramatic economic slow-down last year in central Canada, and especially in Ontario, greatly reduced the standard used to determine the value of provincial equalization transfers. Since April of last year the federal government has revised downward its estimate of transfers to Nova Scotia in respect of 1991-92 equalization entitlements by $70 million.

As a result of the prolonged recession and the introduction of the federal goods and services tax, a slow-down in consumer spending occurred during the year. This resulted in a decline of the province's health services tax revenues of $42 million from the level originally estimated in the 1991-92 budget. Tobacco tax revenues fell by $23 million. A shortfall from last year's budget estimate of $11 million was experienced in personal income tax and, as well, a $29 million decline in the corporate income tax revenues.

The decrease in the value of our income tax revenues triggered an increase in the cash component of our federal health and post-secondary education transfer payments of $17 million. These revenue declines had a substantial impact on our fiscal position for the year.

While revenues plummeted, your government held operating expenditures to an increase of only 0.5 per cent over the estimate in last year's budget. This was accomplished through a significant and committed effort by our public service employees throughout all sectors of government. While the net increase in operating expenditures was minimal, additional funding was provided in some areas, financed to a certain extent by under-expenditures in others.

In the Department of Health, additional funding of $6.6 million was required to cover increased demand under the Pharmacare and medical care programs, as well as additional payments to hospitals, including the transition funding for the new Grace and IWK hospitals.

The Department of Community Services required additional funding of $14.4 million in the year just completed. The largest portion of this was to provide family benefits support to people in need. The increased case load reflects the strain that the economic conditions have placed on families and thus on our social services spending. More dollars were also allocated during the year to increase the food allowance to people on family benefits.

Our government's Early Retirement Incentive Plan had a much higher than anticipated up take rate. These severance benefits, a one-time cost, contributed to 1991-92 over expenditures by $20.8 million. However, the long-term benefits from a downsized public service' will be significant.

At the same time, however, the decline in interest rates and the strong Canadian dollar saw debt charges decline by $18.3 million from the original estimate. Revenue declines and controlled expenditures resulted in a revised operating deficit forecast for 1991-92 of $345.5 million.

Net capital requirements for the province totalled $244 million, $56 million less than originally estimated. Total borrowing requirements for the province are now forecast to be $97.6 million higher than estimated for 199 }"'92, primarily due to the declines in revenue forecast for the year.

This year's fiscal plan, Mr. Speaker, continues a program toward smaller, efficient and accountable government, as endorsed by Nova Scotians during our consultation process. Our goal continues to be the most efficient and effective use of the taxpayers' dollar.

Throughout the past year the government has successfully:

reduced the number of Cabinet Ministers from 21 to 16;

reduced the number of departments from 21 to 17;

reduced the number of funded staff by 482;

provided the government's Early Retirement Incentive Plan to 620 employees;

consolidated the provincial loan boards of the Department of Economic Development to one board, the new Business Development Corporation;

moved the responsibility for the Commission on Drug Dependency and the Nova Scotia Health Insurance Commission into the Department of Health; and

reorganized the Department of Transportation and Communications at both

central and regional levels.

These examples of changes have provided for a more efficient and cost-effective delivery of services and programs to Nova Scotians. The responsible manner in which this rationalization process has been implemented caused minimal disruption of public services.

Through co-operation between the Union of Nova Scotia Municipalities and the provincial government, ~he process of reform will continue at the municipal level. During the past year, we jointly established a Task Force on Local Government to develop a strategy for municipal reform in the province. The task force recently presented its report to provincial and municipal government leaders, recommending major changes to the financing and

delivery of services by the municipalities and the province. As well, proposals were brought forward on boundary changes and a decreased number of municipal units.

As we examine the recommendations of the task force, the government will be consulting with Nova Scotians to seek their views. We are committed to ensuring that the taxpayers of Nova Scotia receive the most efficient and effective delivery of municipal services.

Our government has taken steps to privatize and divest itself of various services that can be best performed by the private sector. This process reduces the cost burden and the liability of the Nova Scotia taxpayer while allowing government to concentrate its efforts and resources on health, education, social services and economic development.

A recent example is the contracting out to private industry, SHL Systemhouse Incorporated, of the government's mainframe data processing services. This initiative is expected to save between $14 million and $23 million over seven years, while providing additional employment opportunities in a rapidly advancing field of computer technology.

In December 1991, the Department of Transportation and Communications announced a series of measures that provide for management and staff reductions, the privatization of services, the sale of equipment and the downsizing and decentralization of mechanical services. In the past year, the department has decreased the size of its work force, eliminating 134 positions through early retirement arid purposes a further reduction of 75 administrative positions during the coming year. This, in addition to the proposed amalgamation of the Bedford Aerotech operation, will save the department $10 million annually over the next two years.

The sale of department field outfits will transfer $10 million of work to the private sector. These changes will provide for improved services and an increase in private sector opportunities across the province.

Mr. Speaker, on a much larger scale, the privatization of the Nova Scotia Power Corporation will relieve Nova Scotia taxpayers from the $2.4 billion financial obligation associated with operating a major electrical utility. Privatization of the Nova Scotia Power Corporation will also provide an opportunity for Nova Scotians to invest in their own utility and will ensure that our citizens receive the benefits of electricity delivered by an efficiently run private company. Nova Scotia Power will continue to be regulated by the Public Utilities Board.

Our government has announced its intention to sell the Sydney Steel Corporation which now has one of the most modern mini steel mills in North America. The government has capped its financial commitment to Sysco and is proceeding quickly to sell it as a viable enterprise.

While the major reductions and restructuring within government are complete, we will continue our streamlining process in 1992-93 with the consolidation of a number of provincial boards. We will establish a new Provincial Administrative Review Board, which will perform the duties previously assigned to the Expropriation Compensation Board, the Municipal Board, the Tax Review Board and the Public Utilities Board. The consolidation of these boards will result in cost efficiencies and improved service to the public.

As a result of the recent amalgamation and restructuring of the former departments of Industry, Trade and Technology and Small Business Development, we have provided for the Nova Scotia Business Development Corporation, under the umbrella of the new Department of Economic Development. This corporation will be responsible for providing the financial assistance previously rendered under the Nova Scotia Business Capital Corporation and the Small Business Development Corporation. Providing such assistance under one umbrella agency will create increased efficiencies and less confusion for businesses seeking financial assistance from the province.

The protection of essential programs in health, education and social services for Nova Scotians is fundamental to this budgetary process. As with all areas of government expenditure, the objective has been to streamline operations to ensure the most efficient use of tax dollars while maintaining the integrity of the services.

Departments, institutions, agencies, and individuals involved in the delivery of these important programs have cooperated in meeting these challenges and have worked to effectively balance public need and fiscal constraint.

One of the major building blocks to ensure success has been the provision of a three year program spending target for government departments and public sector agencies funded by our government. Even though resources will continue to be restrained, this will enable each to implement the changes necessary to achieve long-term efficiencies and cost savings.

Government leadership in making the administrative or program changes necessary to achieve greater efficiencies has been the major factor in our success in maintaining essential services in light of restrained fiscal resources. Our government commits that user fees for essential hospital care and medical services are not to be an option. (Applause) Government is intent on addressing health costs through careful management of the tax dollars, public education and appropriate distribution of resources. This commitment is critical to keeping our health system both universal and accessible without deterrent.

We plan to spend $1.3 billion on health care for Nova Scotians over the next year. This, Mr. Speaker, is equivalent to $1,437 for every Nova Scotian.

We now have approximately 4,980 hospital beds available for the care of Nova Scotians at an average daily cost of $435. Total payments to hospitals in 1992-93 will be $800.4 million.

Hospital boards, administrators and staff are to be commended on the initiatives they have put in place to curtail the increasing growth in hospital care costs. They have been part of the changes that have improved the utilization of our health care dollars through the efficient use of human resources; streamlining administration; improved patient treatment procedures, especially day care surgery; cooperation in sharing expensive technology and regional planning for specialized services.

In 1991-92, Nova Scotians received, on average, 8.4 physician services at an average annual cost of $249 per individual Nova Scotian. There are 1,378 full time equivalent physicians practising in Nova Scotia, and payments to them for service billings were estimated at $221.9 million in 1992-93.

Given the substantial financial commitment by government towards the provision of medical services in this province, total funding for physician services will be frozen at the 1991-92 forecast level for the next two fiscal years, with a 3 per cent increase in the third year, in keeping with our government's goal.

The Medical Society of Nova Scotia has acknowledged that the cost to government for the provision of physician services must be affordable and sustainable. The Department of Health and the Medical Society are nearing completion of an agreement on managed growth expenditures for physician services.

The Pharmacare Program for seniors has experienced significant cost pressures in recent years, arising from increased drug costs and utilization. Last year 113,000 Nova Scotians received benefits under our Pharmacare Program, representing an average expenditure of $575 for each Qualifying senior. The average number of prescriptions per senior totalled approximately 21.5 at an average price of $31 per prescription.

Mr. Speaker, for those Nova Scotians receiving the Guaranteed Income Supplement, there will be no changes made to the Pharmacare provisions. They will continue to have the 20 per cent co-pay apply to all their prescription drug purchases to a maximum beneficiary cost of $150 annually.

For those seniors not on Guaranteed Income Supplement, they will be subject to a 20 per cent co-pay provision up to an annual maximum beneficiary cost of $400 effective July 1, 1992. While this change is necessary to preserve the coverage under the program in as fair a way as possible, it means that there will be no increase in Pharmacare costs to more than 55 per cent of Nova Scotia's senior citizens. Nova Scotia's Pharmacare Program continues to compare favourably with programs in other provinces and is undoubtably the best in Atlantic Canada. This policy change does not affect beneficiaries under the Family Benefits Pharmacare Program.

Where medical need is indicated, there will be no changes in the provisions under the Vision Care Program. For routine eye examinations, insured coverage will be restricted to one examination every 24 months for children up to the age of 19 and for persons 65 years and over. Routine eye examinations for persons 20 to 64 years of age will no longer be covered. These changes will be effective July 1, 1992.

There will be no changes to the Children's Dental Care Plan. Nova Scotia will continue to provide the broadest coverage of any of the Atlantic Provinces.

The commitment to long-range planning in the health care sector is evident in a number of recent initiatives:

Currently the Medicare system in Nova Scotia is limited to recouping from insurance companies only a small percentage of the medical costs incurred as a result of motor vehicle accidents. The Department of Health will institute a mechanism that will provide a fairer apportioning of medical costs resulting from persons being injured in motor vehicle accidents, between the province and the private insurers.

A 10-year plan of capital expenditures for hospital construction has been proposed by the Department of Health based on the target of 5.0 beds per 1,000 population. Most hospital construction will be replacing antiquated facilities designed to meet the medical care standards and direction of the 21st Century.

Moving toward that goal, the Regional Valley Hospital recently opened, providing for the amalgamation of services of three previous health care facilities. The new hospital will accommodate 243 beds and provides a comprehensive range of health care services to Nova Scotians from Windsor through to Digby.

Construction of the Cape Breton Regional Hospital is now underway and scheduled for completion in 1993-94 fiscal year. Once completed the new hospital will replace three existing facilities, providing for the more efficient and effective delivery of hospital care to this region.

The Halifax Infirmary will provide approximately the same number of inpatient beds as the present hospital, however, 50 per cent of its new work area will be devoted to day surgery, out-patient clinics, same-day testing and procedure facilities. This is in keeping with the recommendation of the Royal Commission on Health and to shift the emphasis to greater out-patient services.

The Provincial Health Council has recently released its recommended goals for public discussion. Several external public task forces charged with the responsibility to offer advice on the future of health care systems in Nova Scotia include the Physician Policy Development Task Force, the Nursing Task Force, Mental Health Services Task Force and Primary Health Care Task Force.

The government has recently announced the formation of two regional Health Advisory Agencies in Nova Scotia. Pursuant to the recommendations of the Royal Commission on Health Care and the Provincial Health Care Strategy, two regional agencies have been established for Cape Breton and the Northumberland regions. These agencies will be responsible for planning the most effective delivery of health care services within their region in a manner consistent with provincial health care goals and policies.

Public participation in the development of health care programs and regional service priorities will be an essential elements of future program development.

Last year, Mr. Speaker, over 640,000 hours of home care visits were provided to approximately 8,000 Nova Scotians every month. As well, 8,400 beds were provided in homes for special care across this province. During the pre-budget consultation process, many Nova Scotians identified problems relating to the fact that home care was delivered by two departments of government, the Department of Health and the Department of Community Services. This was seen by many to be inefficient and a cause of confusion for those wishing to participate in the programs.

In response to the concerns of Nova Scotians, the administration and delivery of Home Care Program will become the responsibility of the Department of Community Services while nursing homes and homes for the aged will be the responsibility of the Department of Health. All other homes for special care will continue to be the responsibility of the Department of Community Services. To provide the time necessary to plan and effectively transfer these responsibilities, the changes will be effective April 1, 1993.

Service levels in each of these areas will be maintained. The changes will directly respond to the concerns and needs of many Nova Scotians.

During these difficult economic times the government has recognized the importance of ensuring sufficient funds are available to meet the social needs of Nova Scotians. We made and continue to make every effort to assist those Nova Scotians most in need who are particularly hard hit by the recession. Towards that end, the Department of Community Services received $14.4 million in additional funds last year and will be the only department of government to receive a substantial increase in funding for its programs in the coming year.

Total expenditures of the Department of Community Services have increased 8.2 per cent or by $41.2 million over the 1991-92 estimate, providing in excess of $546 million for 1992-93 for a wide range of social programs. This year's budget provides for over $228 million in family benefits assistance: This $228 million will mean that 57,200 Nova Scotians per month will receive government support for the basic living costs for food, clothing, shelter and prescription drugs for recipients and their dependents. This represents an increase of 8.3 per cent or $17.5 million over last year's funding.

In addition, your province is providing cost-sharing to municipalities for municipal social assistance. This funding in 1991-92 was $59 million and will increase to $65 million in

1992-93. Total municipal social services for Nova Scotians will exceed $100 million in 1992

93.

Despite the difficult financial circumstances facing the province, your government, Mr Speaker, has continued to ensure that the programs for those most in need in our society have been maintained and, in most cases, enhanced.

Education has been a priority of every government in Nova Scotia for over 200 years. Today, in an ever-changing world, education continues to be a priority of your government. During these difficult economic times we are working with all areas of the education community to realize the most benefit from every tax dollar spent.

The government welcomes the Report of the House Select Committee on Education. May I quote Ms. Marilyn Large, the President of the Nova Scotia School Boards Association, who said, "We commend the Select Committee for recognizing that effective change must involve all the partners in education. NSSBA looks forward to working with the Department of Education and the Nova Scotia Teachers' Union in implementing the recommendations which arose from the representative views of the many presentations on the fifteen topics.".

The government is currently considering the many recommendations of the Select Committee Report on Education. In cooperation with the various partners in education, including teachers, students, parents and businesses, the Department of Education looks forward to planning and implementing effective action to address the issues raised by the report.

Our government will spend approximately $1 billion on education this year. This represents a very considerable investment in the future of young Nova Scotians.

During the consultation process, Nova Scotians made it clear that they felt spending more dollars on education was not necessarily the answer. Accountability through the system and the best utilization of every available tax dollar are required.

The present costs of providing education to each student in the province in 1991-92 was $4,500 compared to an average cost 10 years ago of $2,500. Over this period, the number of students in the system has actually declined from 182,09<) to 165,000, while there has been a modest decline in the number of teachers within the system. This, Mr. Speaker, has resulted in improvements in the student/teacher ratio across most parts of this province. In my own constituency of Guysborough, the student/teacher ratio has now reached 14.5 for the 1991-92 year.

In pre-budget public consultations, the government heard consistently about the importance of the education system to the province's economic future. These same views were expressed to the Select Committee on Education.

There is no doubt that the ability of our businesses and industries to compete in the global economy will depend heavily on the availability of a highly educated and well-trained work force. As identified in the Nova Scotia Economic Strategy prepared by Voluntary Planning and supported by this government, "skilled' and motivated people are the single most important lever for competitive success.". For those reasons, education is seen as an important investment in the province's economic future. This will require those involved in the education system to be flexible and open to change. Nova Scotians will not accept mediocrity at any level of our education system.

A number of recent government initiatives have supported this philosophy, the amalgamation and restructuring of the Departments of Education, and Advanced Education and Job Training will provide better policy and program coordination at all levels of education and training in this province. The legislation establishing fully elected school boards has fostered more public involvement in education at the local level.

Academic upgrading programs will continue to be incorporated into our community college campuses to serve basic education needs of adults and to help more people access college level training. Academic upgrading programs will be added to the system in 1992-93.

In September 1991, College de L'Acadie commenced operation to provide technical and professional training to the province's Acadian and francophone population. In six learning centres throughout the province, the new institution will utilize, wherever possible, interactive video and audiographic technologies to overcome problems associated with distances and delivery of quality programs.

Nova Scotia has the second-highest per capita expenditures for universities in Canada. This reflects the fact that Nova Scotians support 13 degree-granting institutions that often offer the same or similar programs, each with costly administrations.

For some time now, important dialogue between the government and the Council of Nova Scotia University Presidents has been underway to bring about a more effective and cost-efficient means of providing university education to Nova Scotia students. The province is firmly committed to ensuring that implementation of significant change leading towards the development of a cooperative, coherent, and efficient university system will begin for the all of this year. Significant progress on rationalization is expected to be accomplished within the next three years.

Education continues to be a priority of the Government of Nova Scotia to ensure that we can take advantage of the changing economic opportunities in the global economy.

While the more efficient operation of government remains a critical objective in this year's fiscal plan, also critical is the need to assist the economy in its recovery from the recession of the last two years. Our efforts in this regard must not be short-lived but must continue over the medium term to ensure that the relatively slow rate of recovery anticipated for 1992-93 continues to build strength in the upcoming years.

In this year's fiscal plan, the government has turned to the system of taxation to provide measures aimed at increasing business confidence and stimulating the small business sector.

The small business sector of Nova Scotia is extremely important to both rural and urban communities throughout the province. There are well over 30,000 small businesses in operation providing employment for more than 100,000 Nova Scotians. This sector accounts for approximately 30 per cent of total business employment in the province and is estimated to account for roughly 25 per cent of Nova Scotia's total economic output.

Given the importance of this sector to our economy and to the creation of job opportunities for so many Nova Scotians, the government is taking steps to ease the tax burden on many small businesses and to provide for a more attractive investment climate.

As a major step in this regard, I am pleased to announce that the small business corporate income tax rate will be cut in half, reduced from the current rate of 10 per cent to 5 per cent, effective for the 1992 taxation year.

In addition, to assist new small business in the province with the high costs that accompany the initial years of operation, I am also pleased to announce that the two-year New Small Business Tax Reduction Program will be extended to a three-year program. Qualifying small businesses will now be able to receive the corporate income tax holiday on eligible income in each of their first three years of operation. This change will apply to those new small businesses incorporated after April 24, 1992.

Both of these measures will go a long way towards reducing the tax burden on many small businesses, which are currently struggling to emerge from a difficult economic environment of recent years.

A continuous source of frustration and complexity for the manufacturing sector of this province has been determining the appropriate treatment of business purchases under the provincial sales tax regime. Pursuant to the current Health Services Tax Act, machinery and apparatus used in the manufacture or production of goods for sale is exempt from the health services tax. Identification of purchases eligible for this exemption has created an administrative burden for manufacturers and difficulties for the province in administering the tax. In some cases, it has resulted in litigation, which is extremely costly to both parties.

For these reasons, a new system for providing tax assistance to manufacturers will be implemented. A percentage rebate of the health services tax paid by manufacturers will replace the existing exemption.

Manufacturers will receive a rebate of a percentage of the health services tax paid on purchases of machinery, equipment and other taxable supplies. It is. intended rebate mechanism will be revenue-neutral to the province. The Department or' Finance will be

consulting with the manufacturing sector to determine the appropriate qualifying criteria and the percentage rebate. It is intended this new regime will come into being July 1. 1992.

I want to point out that existing tax exemptions for goods and materials used directly in the production of goods for sale will not be affected. This will enable vendors to levy and collect tax on sales to manufacturers in a consistent manner and create administrative simplicity for both the business community and government.

Nova Scotians have a major role to play in helping our economy to realize its full potential as a truly competitive force in the market place. It is important. therefore that we encourage and assist Nova Scotians. where possible. to invest in the future of this province

and in the businesses within their communities. .

As a means of enhancing investment opportunities for Nova Scotians. I am pleased to announce that the government will be introducing legislation to provide for a personal income tax credit for employees of eligible companies who wish to purchase shares in the company they work for. (Applause) This will also apply to individuals who invest in qualifying Nova Scotia cooperatives.

The Nova Scotia Employee Share Ownership Tax Credit and the Cooperative Tax Credit will provide a 20 per cent provincial income tax credit on a maximum $5.000 investment to employees or individuals who invest in qualifying firms or cooperatives. Discussions will be undertaken with the federal government with the expectation that the program will be designed in such a way that qualifying investments will receive a matching 20 per cent federal income tax credit. These tax credits will be effective for the 1992 taxation year. subject to the federal approval. Further details on the design of the new credits and their eligibility criteria will be contained in the legislation which I will bring before the House this session.

The government places very high priority on the development of our natural resource base. There are a number of economic initiatives under way this year which will strengthen our resource sector and offer significant opportunities for many Nova Scotians.

The first commercial offshore oil project ever in Canada will commence in Nova Scotia this year. In early June 1992. the Cohasset-Panuke Offshore Oil Project. a joint venture of LASMO Nova Scotia Limited and Nova Scotia Resources Limited. will begin producing oil from the Panuke oil field.

Commencing in early 1993. the Cohasset oil field will be in operation. Production at the Balmoral site is expected to commence at a later date after these initial wells are in full production.

Throughout the development and operating phases of the project. it is anticipated that in excess of $330 million in operating and capital expenditures will be invested in Nova Scotia. Spin-off benefits from these expenditures will result in a total level of investment in the provincial economy of over $500 million. Approximately 525 person-years of direct employment for Nova Scotians have been created and a further 300 jobs for Nova Scotians will be provided during the six year production period.

Commercial offshore oil production is a tremendous achievement in Nova Scotia. The Cohasset- Panuke project represents North America's first commercial offshore oil production north of the Gulf. of Mexico. It presents a substantial opportunity for expanded employment opportunities, economic growth throughout many sectors and regions of this province, enriching the lives of many Nova Scotians.

The new Nova Scotia energy strategy, which was released in November 1991 after extensive public consultations, focused on improved energy efficiency, environmental quality, diversification of our energy supplies, and the affordability of energy.

The first two action plans dealing with energy efficiency and coal are expected to be released in the early summer, while a further two detailed policies relating to alternative energy and oil and gas are planned for release in late fall. Implementation of many of these specific measures with the strategy are already underway.

The province will undertake in this fiscal year to provide the funds necessary to continue geoscientific research and feasibility studies in respect of promising mineral resources. While this was previously funded under a federal-provincial agreement, the province has provided $1.5 million towards the provision of permanent mineral development staff under the Department of Natural Resources.

In January of this year the province entered into a new Cooperation Agreement for Forestry Development with the Government of Canada. This new accord provides for combined funding of $98 million for continued forest management, renewal and research within the province over the next four years. Much of this substantial financial commitment to such an important sector of the Nova Scotia economy will be directed towards the private woodlot management program, creating employment while ensuring the sustainable future of the industry. The agreement also funds the Forestry Student Internship Program, providing summer employment to more than 270 students.

The Department of Fisheries, continued priority will be placed on developing Nova Scotia's aquaculture sector in this year's fiscal plan. The government will be focusing on providing technical assistance to the industry and potential investors, development of technology, and further refinement' of our site-leasing system.

The potential of a recreational fishery will be further developed for both Nova Scotians and visitors to our province. The provincial government will assume responsibility for managing the freshwater fisheries from the federal government and sign a federal-provincial agreement on recreational fisheries to direct more funding to this sector. Over $1.6 million will be devoted to aquaculture and inland fisheries in Nova Scotia in 1992-93.

This year's marketing strategy for the Department of Fisheries will focus, to a greatest extent, on assisting smaller producers to diversity and improve their own markets and to d~ more value added processing so as to increase employment within the province.

The government will continue to work through the Department of Agriculture and Marketing to assist farmers during these difficult economic times. Under such programs the Tripartite Stabilization and Industry Adjustment Program, over $4.9 million has allocated this year to assist Nova Scotia producers through price and income stabilization and industry adjustment programs.

Many initiatives are planned to support and enhance the tourism sector in the pro In December 1991 the federal government and the province signed a four year, $19.3 million Tourism Cooperation Agreement to provide funding for initiative have a significant impact on the tourism industry. Funding is available for product development. marketing and training.

Sail Sell. a cooperative tourism promotion with the industry. will be utilizing the visit of the Bluenose II to Toronto to undertake a major marketing effort from June 9th to June 14th on the Toronto harbour front.

The Canada/Atlantic Cooperation Agreement on Marketing Development. signed in 1991. enabled the Department of Tourism and Culture to undertake Agent Sell in Europe and Road Sell in the United States.

The Department of Tourism and Culture provides grant assistance to the Nova Scotia Film Development Corporation to enable the corporation to provide financial support to the film industry through equity investments and loans and promotion of Nova Scotia as a film location.

The economic spin off from film development is enormous. It has been estimated that a $2 million investment in film production results in approximately $6.5 million for the provincial economy. of which $2.3 million is represented by wages.

With a budget of just over $1 million for film investment the corporation realized a total of $18.74 million in film projects in 1991-92. This year is expected to be even better. with a possible $24 million from companies using Nova Scotia as a film location.

Improving the investment climate for business throughout the Maritimes has been a major focus of the Maritime Premiers throughout the past year. They have examined a number of initiatives designed to streamline the regulatory environment for business remove interprovincial barriers to trade and achieve cost-savings.

Progress has been made to date towards greater economic cooperation throughout the region. Over 30 initiatives are currently underway reviewing regional approaches in a broad range of areas such as securities regulations, transportation regulations export promotion, education and health care.

A Maritime Procurement Agreement has already been implemented with a view to completing negotiations on an Atlantic Procurement Agreement to become effective June 30, 1992.

The three governments have recently adopted an economic development strategy for the region's geomatics industry. Currently over 50 Maritime firms are now active in the acquisition and use of geographic information provided by the geomatic industry. It is projected that this economic development strategy will lead to a new $50 million industry for the region as a result of increased access to world markets.

The province looks forward to continued progress towards greater regional economic cooperation as a means of enhancing the investment climate and opportunities for Nova Scotia business.

Recognizing the particular needs of the Cape Breton economy, the government established a process to examine long-term economic development options for the Island. Working with the Industrial Cape Breton Board of Trade, the Premier, Deputy Premier and Minister of Finance have met with business leaders in the community to discuss approaches to improving investment and business conditions as a vehicle for strengthening long-term economic development prospects for the island's economy.

The government is pleased with the commitment that has been made to this cooperative effort by the participants in the process. At present three committees of the board of trade have been established to examine various critical issues relating to developmental prospects and to select and priorize options that should be considered by the province for action.

It is evident that the solution to many of the difficult economic problems that exist in regions like Cape Breton have to come from the communities themselves, which are best able to recognize the area's strengths and opportunities. The government will continue to encourage and participate in such dialogue and to cooperate with business to facilitate the development of strategies that will encourage long-term, viable investment in the Island's economy.

Last fall the government adopted the Economic Strategy and Action Plan prepared by Voluntary Planning in the document entitled, Creating Our Own Future. The strategy outlines principles and objectives required to build a strong, competitive and progressive economy for Nova Scotia. It calls on government, business and labour to work cooperatively and creatively to implement the strategy.

The government has already appointed a monitoring committee composed of business, labour and government leaders to mobilize action and coordinate implementation of the Action Plan. A coordinating committee of senior deputy ministers has been charged with assuring provincial government adherence to the plan, while Voluntary Planning will serve as a catalyst for initiatives in the sectors outside government. These actions reflect the government's commitment to ensuring that our economy is strengthened and able to develop and compete in the years ahead.

Mr. Speaker, the difficult economic circumstances experienced internationally last year and the anticipated modest rate of growth over the medium term will continue to affect the speed of fiscal recovery in this province throughout 1992-93.

Some of the same pressures we faced in setting last year's budget are still with us today: the relatively slow growth in revenues as the economy emerges from the recession; continued federal restraint in transfer payments and shared-cost programs; and increased demands for social services.

The federal government continues to constrain growth in a wide range of transfer payments to provinces and cost-shared programs, resulting in a decreased share of federal dollars for a variety of important programs and services.

Federal transfers to the provinces for essential health and post-secondary education programs remain frozen at 1989-90 per capita levels. As provincial spending in these two critical areas accounts for a significant Programme of our total expenditure needs, the province is under increasing pressure to achieve further cost-savings in 'these program areas that essential services to Nova Scotians in greatest need can be maintained.

Throughout the past four years, equalization transfers have been restrained by a ceiling on the growth of entitlements. Since 1988-89 the province has lost $260 million in equalization transfers as a result of this federal restraint measure. While federal and provincial governments agreed that the ceiling will not apply in 1992-93, it is still a component of the equalization program and may apply in future years.

Federal restraint continues under a broad range of cost-shared programs with the province.

The federal government has frozen funding for such programs as Legal Aid services and the Young Offenders Act at 1989-90 levels, while the cost of these programs continues to grow.

The recent federal withdrawal of support for such programs as the Criminal Injuries Compensation Board and the Victim's Assistance Fund has required the province to introduce a new program to offset the loss in federal support.

The postponement of major federal program initiatives that had already been announced, such as funding for the Green Plan.

Increased federal conditions and restrictions to cost-sharing arrangements have also placed a greater financial strain on the province.

The province supports the federal budgetary commitment to downsize and streamline government only when it is achieved in a responsible and constructive manner, and in consultation with provinces where appropriate. We must always remember that the same taxpayers are funding all levels of government.

Nova Scotia is eager to work with the federal government and other provinces to implement policies and programs that will stimulate economic activity and to address the cost pressures facing all Canadians during these difficult times. For this reason, the province strongly supports the recent convening of the three First Ministers' Conferences on the Economy and other initiatives. Better coordination of policies and programs among governments can only serve to strengthen the economy and improve the efficiency and effectiveness of public sector programs and initiatives.

In setting the fiscal plan for 1992-93, the government recognized the importance of continuing the responsible approach to expenditure control implemented in last year's budget. While the recession has hit hard and the temptation to increase spending to hasten the economic recovery is very real, we recognize the danger to Nova Scotia's financial future if we do not continue to exercise responsible expenditure management. This year's fiscal plan recognizes the importance of further expenditure controls and the continued effort to decrease and, in the short term, eliminate the province's operating deficit.

It balances this priority, however, with a continued commitment to provide essential services in health, education, and social services to Nova Scotians in an efficient and effective manner. It also provides for measures designed to improve the economic environment in the province, particularly for small business development.

The development of the fiscal plan has been a tremendous challenge requiring difficult decisions and careful planning. I am confident, however, that the measures I have introduced today reflect the advice we received from Nova Scotians and will greatly facilitate both the economic and fiscal recovery process necessary for the future prosperity of this province. I want to express the appreciation of the Government of Nova Scotia to all Nova Scotians who participated in the budget consultation process. You will recognize throughout this year's budget tangible evidence of your contribution.

In 1992-93, the operating deficit of the province is estimated to be $152.9 million. The deficit target estimated for this year represents a tremendous effort by all public employees to set their priorities and streamline operations in an effort to counteract the pressures that forced last year's deficit well beyond its target.

Operating expenditures of the government, excluding debt charges, are estimated to be slightly below last year's level. To allow for increases in important expenditure areas such as Community Services, many departmental budgets are less than one year ago. Such measures, while difficult, have been made necessary by financial realities and the continuing demands to meet the social program needs of Nova Scotians.

Net capital expenditure for 1992-93 have been-estimated at $283.2 million. Building common infrastructure such as highways, hospitals, water and sewer systems, and communication networks, which can be used by businesses and Nova Scotians alike, are solid investments in our future. These capital projects are and will be providing significant jobs for the construction workers.

Two years ago the province established the Transportation Trust Fund to be used specifically for the construction and upgrading of Series Highways. It is funded from a specific allocation of increased .gasoline and diesel oil taxes. The Trust Fund shall be maintained. The revenue from the Trust Fund will be transferred to the ordinary account of the province and the expenditures will be included with the other capital expenditures. This will reflect more clearly the amount of money raised from gasoline and diesel fuel taxes and the expenditure of such funds.

Prior to any investment that may be required when the Nova Scotia Power Corporation is privatized, total borrowing requirements for 1992-93 are estimated to be below last year's level. Borrowing provisions up to $200 million have been made to purchase NSPC shares. As part of the multi-year planning process announced in last year's budget, we remain committed to our target of eliminating the operating deficit of the province by 1993-94. This is being accomplished by the 0, 0, and 3 multi-year program spending targets established for 1992-93 and the next two years, respectively.

To achieve these goals, however, will require the continued holding of expenditure growth in all areas of government within available revenues. If these targets are met and capital spending is maintained at current levels, the borrowing requirements Of government should be reduced below $500 million in each of the next two years.

This Budget addresses the fiscal, economic, and social needs of this province in a balanced and sensitive way. It also reflects the views of hundreds of Nova Scotians who have participated in public consultations across this province.

The government has undertaken initiatives to lower the operating deficit, downsize government operations, and ensure that Nova Scotians are receiving the most efficient and effective allocation of their taxation dollars.

At the same time, the government has maintained a strong commitment to health, education and social programs. We recognize the importance that Nova Scotians attach to the health care system and have put in place policies and programs aimed at preserving health care services that are responsive to the changing needs of the population. We also recognize the importance of the wide range of social programs in protecting those most in need during these difficult times. Initiatives in the education field are aimed at developing a system that is able to educate and train Nova Scotia students to take full advantage of opportunities in the changing economy.

While maintaining a strong commitment to essential programs in health, education, and social services, the Budget provide~ for a variety of taxation, privatization, and regional co

operation initiatives that will foster private sector investment in the economy, creating long

term, viable employment opportunities for Nova Scotians.

Developing the province's economy is key to our future ability to provide essential social programs and reduce our dependence on the transfer of funds from the federal government. To be able to participate in Confederation with the same economic opportunities as other parts of the country has been a fundamental element of Nova Scotia's constitutional position.

We have proposed that the availability of national infrastructure that will enable companies in this region to develop and flourish should be a fundamental principle of the constitutional reform. As well, the government feels there should be a strong constitutional commitment by the federal government to provide economic development assistance in accordance with provincial priorities aimed directly at alleviating provincial economic disparities.

Only by allowing all provincial governments to share more equally in the economic benefits of Confederation will constitutional pressures in the country subside. These are changing times, calling for responsiveness and fairness in government. We have listened to Nova Scotians and we are implementing social and economic policies and programs that reflect their priorities. We remain committed to this process of consultation and will make every effort to ensure that the government remains sensitive to the aspirations and well-being of Nova Scotians. Thank you, Mr. Speaker. (Applause)

Mr. Speaker, you will understand, as I am sure will other members of the House, that the Opposition, particularly myself as Finance Critic for the Opposition, has had the opportunity now to sit and listen to a budget delivered by the Minister of Finance on behalf of the Cameron Government. We will be giving it some considerable analysis over the weekend and I propose, Mr. Speaker, that I will make some preliminary comments today and then return, after having adjourned the debate, with some other, perhaps, more detailed comments when the session resumes at the first of the week.

Mr. Speaker, there are, unfortunately, two themes which leap out at you from this budget. I must say this about the Premier, he has been consistent because these two themes have been themes of his entire term in office. Unfortunately, they have been themes which have created a great deal of hardship in the Province of Nova Scotia in many ways among those of his citizens who could afford such hardship lead.

The first theme we see continued by this budget, Mr. Speaker, is the erosion of our health, education and community service network. This has been the subject of an attack by this government since Premier Cameron and his right wing agenda assumed office in this province. We have seen a continuous attempt to erode programs which have been in existence in this province. Some of them, as a matter of fact, have led the way for the rest of the country. We have been proud of those programs and I don't recall anyone saying that they were frivolous or unnecessary but we have seen in this budget a continuation of that attack.

I am going to give you a couple of examples, Mr. Speaker, but before I do I want to say this; there is one difference about this 'budget in respect to that first theme, this attack on our social service, our education, our health network in this province. The attack has become much more of a sneak attack in this budget. There is a very good reason for that, there is a very good reason why the government has decided to proceed by way of sneak attack; that is the upcoming judgment that will be rendered on their tenure in office by the people of Nova Scotia in an election. On the one hand, they are prepared to adopt and embrace a right wing agenda; on the other hand, they are a little afraid about the judgment of the people when they are given the chance to act on it.

Let me give you an example; this budget and this government brags and have done so quite proudly that they will be creating no new taxes. Certainly, Mr. Speaker.

But let's look at two areas. I want to first look at the position of the seniors, let's look at how the seniors have done, by reason of this budget and by reason of the action of the Donnie Cameron Government. Mr. Speaker, the seniors in this province had a Special Assistance Program which served 53,000 people. Now it was not a great deal of money, it did not make any of them rich but it was a cheque that came and was used by them to help alleviate the increased cost of living and the economic hardship they were facing; 53,000 seniors got that cheque.

Last year this government decided to reform that. As a matter of fact, it is one of the things that the Premier boasts about in his fund-raising brochure; we have reformed the senior citizens special assistance. They reformed it alright, almost out of existence. Mr. Speaker, instead of the $10 million that they were giving, it was reduced and reformed down to $50,000; $10 million reformed down to $50,000. Instead of 53,000 seniors getting a cheque, last time I looked I think there were less than 300. This is a reform? We have reformed it from 53,000 seniors being helped to less than 300.

Now, Mr. Speaker, what about the information we see with. respect to seniors? Surely they are not going to be hit a second year in a row? Surely not. That was one thing we could have expected not to see in this budget, no such chance, this right wing government has not got enough out of the seniors yet, they are looking for more. The co-pay for seniors this past year required them to pay 20 per cent of their Pharma9are cost, their prescription cost. If you look at the budget information we find out there were roughly 2.4 million prescriptions issued and covered under that program. The average cost. $31, .tl1e total cost was $7.4, million. Now, at a 20 per cent co-pay, that was a $14. million charge to seniors who paid that money that there was not a tax increase. This is a hidden tax, a sneaky tax, the kind of a tax that this government does not want the people of Nova Scotia to know about just before they go to an election. So, Mr. Speaker, they have imposed that $14.8 million on the seniors of this province.

Was that enough? No, that was not enough for them, they want a second cut at these seniors. So this year in the budget they have proposed to lift the $150 cap to $400, we can squeeze a bit more out of these seniors, don't those seniors know there is a deficit in this province? We are going to look to the people who are responsible, it must have been those seniors who created most of that deficit so we are going to get it back from them. A sneaky, back door attack on our social services structure, a sneaky, back door attack in creating new taxes so that at the same time you can get up in this House and brag, there are no new taxes in my budget. Shame, Mr. Speaker, that is deception and that will not fly. The people of Nova Scotia are too smart for that. (Applause)

Let me give you another example of this back door attack on those three areas that I mentioned. Education; we have had some people elected as school board members for the first time this last year. I wonder how many of them right now are saying, what have I gotten myself into? We have had a government that tells them there is no increase, in spite of the fact we have negotiated agreements which will put your costs up. In spite of the fact that there will be inflation, we are giving you zero but you are going to have to put some money in through the municipalities.

Now the municipalities are not allowed to have a deficit, unlike the present government. So what happens to them? They tax. Another sneaky, indirect tax imposed by this government on the people of Nova Scotia and they will not be fooled. The ratepayers of this province will not be fooled by that sort of deception.

So, that was one theme that jumps out at you. There are all sorts of examples. I do not have time now to deal with them all and I would hate to prevent my colleagues from dealing with some and I know they have many examples. That is the first theme of this budget. They continue to attack, sneak attack, our social services health and education network.

The second theme of the budget is even more sad. It is that there is, once again, no plan, no direction, no real meaningful attempt to aid an economic recovery in this province. For the person out there in Nova Scotia, who right now is without a job, perhaps his unemployment insurance has run out and has two or three children at home. I had such a man come to my office two or three weeks ago, one Saturday morning. He looked me in the eye and he said, I do not expect you can get me a job, but tell me honestly, is it going to get better? Will the economy improve? Can you give me hope?

That is what the people of Nova Scotia were looking for from this budget. Where is the hope? What do I tell that man who is unemployed and his unemployment insurance has run out? What do I tell him when I bring this budget back to him? I tell him that there is nothing, this is a Nero budget. The emperor has decided to fiddle while the province burns, economically.

You know, there are many indicators of how we are doing. After a while I think people become almost inured to the statistics that are thrown at them from one direction and another. The Minister of Finance gets up and he tells them how well the province is doing. Of course the Opposition gets up and criticizes. But there are some statistics which are unavoidable as indicators of how we are doing in this province.

I would like to share some of those with you to see whether or not there should have been an economic recovery plan in this budget. Maybe we did not need one. You know, anyone reading this budget would suspect that we were doing pretty well here economically. There really was not an unemployment problem. We must be booming here because there is no attempt to create jobs, we do not need them, I guess. Well, let us look at the statistics.

One good indicator of how things are doing is personal income. What people are doing with respect to personal income. Has it increased? Has it fallen? What is the story? Personal income in this province, through the early 1980's, increased 10 per cent a year on the average. That reflected a reasonably robust economy. People were doing better. They were making more money. Ten per cent a year was the average increase. Through the late 1980's, even then the economic activity fell off a bit but we were still doing pretty well in this province, it was 6.5 per cent. The average increase in a person's income in Nova Scotia, 6.5 per cent, managed to stay ahead of inflation occasionally, maybe you were even a little better off.

What has happened in the Donald Cameron years? I have those statistics here. In the Donald Cameron years the average increase was 3.6 per cent, not 10 per cent, not 6.5 per cent but 3.6 per cent. What does that amount to when you take off inflation? Not very much. You know there was a presidential candidate in the United States who challenged the voters with the Question, are you better off now than you were when this man took office? Well, I challenge the people of Nova Scotia, with that same comment. Are you better off now than you were when Premier Donald Cameron took office?

The second indicator which does not allow for any rhetoric, it does not allow for any public relations, it is fact. The second indicator is the Gross Domestic Product. Now, there is nothing fancy about that. That is the whole sum of goods and services that we produce in this province, how we are doing, what we are doing. I want to give you some statistics on that.

I will use the same timeframe that I used for personal income.

In the early 1980's, Mr. Speaker, our Gross Domestic Product went up 13 per cent a year on average. Now that again reflects a pretty healthy business. Businesses were expanding, we were putting out more materials, more goods, more services. It went up at the rate of 13 per cent a year. That was in the early 1980's. In the late 1980's, the last half of the decade, we still did pretty well, 7.5 per cent. It showed that the economy was growing, new jobs were being created, that went to the late 1980's.

Mr. Speaker, in the Donald Cameron years, the last two years since he has taken over, the rate of increase in the Gross Domestic Product has been 2.5 per cent. Let me tell you what that means. It means that if you subtract the rate of inflation, we actually shrunk as an economy since this man has been Premier. When you say we have shrunk as an economy, it sounds awfully antiseptic. You say! well, what is I per cent, 2 per cent, but every per cent that we shrink, people are left unemployed, families are left without incomes, without dignity.

That is the record. These are Statistics Canada figures, these are not government, these are not Opposition. It is a record of failure.

Mr. Speaker, I don't want to say that this government has done nothing in this budget as a result in the field of job creation, but I think we should want to appreciate exactly the extent as to what they have done. Now, the flagship of their economic program, such as it is, is the reduction of the corporate income tax rate from to per cent to 5 percent. Now, I don't want to say that is a bad measure, I think that is a good measure, it may even help a little bit. But let's talk about the extent, if that is it, if that is the flagship, well, I am telling you, it is a terrible disappointment to those people expecting some leadership from this group.

Let me tell you what it is worth. This tax is worth about $1.5 million a point. So if we are dropping it 5 points, that is about $7.5 million. In a provincial budget expenditure of about $4.4 billion, we are going to use all of $7.5 million to get this economy turned around.

I can't even figure that percentage, Mr. Speaker. But that is the extent of the dedication of this group. Of course, they will say, well we have an employee share ownership plan. That is the only other economic measure that I was able to see. Well, let's hope it works better than the Nova Scotia Stock Savings Plan, which was a colossal failure. (Applause) A lot of hype, a lot of public relations, no substance.

I just want to make a few comments before I sum up. There was a time in this province, Mr. Speaker, when people expected that when a budget came forward, the Minister of Finance would be relatively careful about what he predicted in terms of income and expenses. There was a time they thought that. There was a time that, Heaven forbid, people even expected that government wouldn't spend more money than they took in. Let me tell you when that was, just in case we forget. When the Liberals were in power in this province (Applause) and it is a record that we are very proud of, seven of the eight years, from 1970 to 1978, we ran this government with a surplus. This group has run huge deficits so often, people think it is routine. You are supposed to have a huge deficit. It must be. Nobody remembers anymore when people used to balance budgets. Not from this group.

The other thing that they don't remember anymore, Mr. Speaker, are the days when you projected a deficit and you were supposed to be pretty close to right. Let me give you an example of the record of this group in predicting their deficit. In 1990-91, the Finance Minister stood up, in a very similar situation to the Finance Minister today and he told us the deficit was going to be $27.4 million; people were reasonably happy, that was going to get close. They then upped it to $132.7 million and when the final figures came in for that it was $146 million, that is 541 per cent more than they estimated. Now we do not mind being out a little but 541 per cent, where is the management ability there? Where is the competence in government there, 541 per cent?

The next year they predicted that there would be $191.7 million deficit. The estimate so far and we do not have the final figures on this one, is $345.5 million which is almost a 200 per cent increase and when the final figures coine.in it may be even more.

I want to tell you how ridiculous this gets. If we took .the same percentage, that 541 per cent, that the Finance Minister was out the last year for which we have the actual figures and we applied it to his guess this year, we would have a deficit of $827 million.

Now there is a very good reason why these guesses have been so wrong and lam going to deal with that in some detail when I resume my address to the House on the budget but let me leave you with one thought. This budget is a litany of failure it document of despair.

It is a treaty of surrender. This group can offer nothing more to the economy than to stand on the sidelines and watch the parade go by.

Nova Scotians deserve more than that, they wanted more from this government when they awaited this budget. The worst thing about it, the most unfortunate thing about it is- not only that have they have done nothing in terms of job creation and stimulating the economy and leadership in an economic recovery, not only have they done nothing on that side but they have not even succeeded in doing anything by slashing and cutting on the programs that they have done.

Mr. Speaker, we have a monumental failure here. We have a situation where we have a Premier who wants to collect string and turn out lights and offers that as the salvation, economically to the province, that is the hope he offers to the employed, I am going to turn off lights and charge for the coffee, that is his message of hope? Indeed, having done that, they are about to end up with the largest deficit in the history of Nova Scotia, that is his success.

There is an old television show that you may be familiar with, it starts with a spaceship flying off into a dark void and on a voice-over, the voice promises that they will take you where no man has even gone before. Mr. Speaker, that is Star Trek and it was a very popular television show. This Premier and his Finance Minister, Mr. Spock, have now taken us and promised to continue to take us where no man has ever gone before in this province.

(Applause)

When Nova Scotians get the chance to pass judgment on this budget and on this government, will tell them that we do not intend to go along for the ride. Thank you very much, Mr. Speaker.

I move to adjourn the debate.