

The Assembly met at 10:00.

Prayers

### ROUTINE PROCEEDINGS

#### READING AND RECEIVING PETITIONS

**Clerk:** — According to order the following petitions have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

Petitions of citizens of the of province petitioning the Assembly on the following matters:

Asking the government to take action to ensure current levels of services and care are maintained at Pioneer Lodge in Assiniboia;

Asking the government to not implement centralization of ambulance services;

Asking the government to consider Swift Current's request for a new hospital.

#### NOTICES OF MOTIONS AND QUESTIONS

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 14 ask the government the following question:

To the Minister of Finance: what are the details of all programs and services in your department that were eliminated or reduced as a result of the 2001-2002 provincial budget.

Mr. Speaker, I'll also be tabling a number of other questions related to every department, of a similar nature.

**Mr. McMorris:** — Thank you, Mr. Speaker. I too give notice that I shall on day 14 ask the government the following questions:

To the Minister of Finance: what are the rate increases, service fee increases, and all other increases and charges to public and business for services rendered, implemented by your department for the 2001-2002 fiscal year; what is the projected increase or decrease in project revenue taken in by your department for these fees and charges for the fiscal year of 2001-2002; and third, for each fee or charge your department levies against the public or business for the provisions of a certain service what is the projected amount to be taken in during the 2001-2002 fiscal year by your department, and what is the projected cost to your department that these services provide.

I have a number of questions for the different departments that I'll table all at once. The statement was made last session, if you don't ask, you don't have to tell. We're asking.

**Some Hon. Members:** Hear, hear!

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I give

notice that I shall on day no. 14 ask the government the following question:

To the Minister of Municipal Affairs and Housing: what are the names of all the organizations that received funding from the Associated Entities Fund in the 2000-2001 fiscal year; and which of these organizations failed to raise the required 75 per cent of their funding that entitles them to receive a grant under the cultural facilities grant program.

#### INTRODUCTION OF GUESTS

**Mr. Elhard:** — Thank you, Mr. Speaker. Good morning. I'd like to introduce to you and through you to our guests and the members of this House, a group that has come probably further and in larger numbers than anybody else for the budget today. Unfortunately, due to the road conditions they weren't able to get into the gallery where we had arranged seating so they're in the overflow. But I don't think that should prohibit an introduction this morning.

This group is 11 grade 12 students from the school in Abbey, Saskatchewan. They probably travelled 350 kilometres to get here. They left early this morning, and as you can appreciate, travelled in some pretty difficult conditions.

This group of students is accompanied by their teacher and driver, Mr. Alan Colpitts. And they are particularly interested in being here today because of the course of studies that they are pursuing. They're grade 12 students as I mentioned. They're taking a Canadian Studies unit and dealing particularly with economic decision-making. Hence their appearance here today.

So I would ask you and all members of this House to welcome the students. They're in room 212 of overflow seating this morning.

**Hon. Members:** Hear, hear!

**The Speaker:** — I certainly want to welcome all guests to the legislature today. And I would also ask all guests to not participate in the proceedings of the floor in any way throughout the proceedings this morning. We certainly do welcome your being here to observe the proceedings.

#### STATEMENTS BY MEMBERS

##### Humboldt Celebrates City Status

**Ms. Julé:** — Mr. Speaker, on April 1 there will be a big party in Humboldt as they celebrate city status.

Humboldt became a city on November 7, 2000, however April 1 has been chosen as the celebration date because Humboldt became a town on that same date back in 1907.

Humboldt started as a telegraph station with the first official message sent in 1878. During the Metis resistance led by Louis Riel in 1885, Humboldt became an important communication link between Prime Minister John A. Macdonald and his forces in the West. General Middleton established a garrison at the post and used it as a base for scouting operations. He arrived in

1885 with some 950 soldiers.

Later settlers began homesteading in the area. In 1903, Benedictine Monks arrived and established St. Peter's Colony in Muenster some six miles away.

In 1904 the Canadian Northern Railway arrived and businesses were established, and in 1905 Humboldt became a village. Two years later Humboldt became a town.

Humboldt has continued to grow and develop over the years. The population has grown to 5,500 people and Humboldt has all the amenities required for good living and is a great community, however its biggest asset is its people. They are friendly, industrious, and very progressive.

The city celebrations will also include the grand opening of the new telegraph exhibit at the Humboldt and District Museum and Gallery. This seems fitting as Humboldt got its start as a telegraph station.

So, Mr. Speaker, I look forward to celebrating this special event with all Humboldt constituents, the mayor of Humboldt, Mr. Dennis Korte, and I look forward to being there April 1.

Congratulations, Humboldt.

**Some Hon. Members:** Hear, hear!

#### **Increased Funding for Student Summer Employment**

**Mr. Prebble:** — Thank you very much, Mr. Speaker. Mr. Speaker, students in our province need good summer jobs so they can save for their post-secondary studies and so that they can gain valuable work experience.

That's why I'm particularly pleased that in this budget our government is tripling funding for student summer employment. We are establishing the centennial student summer employment initiative which will result in 2,200 summer jobs being available for young people 16 years of age and older in our province.

This translates into 1,500 brand new summer jobs focused in areas such as post-secondary institutions, urban parks, regional parks, and community-based organizations.

These jobs will be in addition to the 700 student summer jobs in executive government and in Crown corporations. Wages will be subsidized at 75 per cent, Mr. Speaker, and will be up to \$4,000.

Mr. Speaker, this is concrete support for our young people and for our community organizations. And I might also say, Mr. Speaker, that our commitment to this program is a five-year commitment, and over that five years we're going to be creating more than 10,000 jobs for our young people, Mr. Speaker.

I'm pleased to be part of a government that is working for the students of our province, and the students of my constituency.

**Some Hon. Members:** Hear, hear!

#### **Congratulations to the Whitewood Bantam Elks Hockey Team**

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, last evening the Whitewood Bantam Elks hockey team travelled to Hudson Bay for the second of a two-game, total point, SAHA (Saskatchewan Amateur Hockey Association), Provincial Bantam B championship. While the Whitewood Elks bantam team bowed to the Hudson Bay Bantams 2 to 1 in last night's game, Mr. Speaker, the Whitewood Bantam Elks captured the Provincial B title on the strength of their first game 9 to 3 victory.

Mr. Speaker, the Whitewood Bantam Elks team is made up of players from the communities of Whitewood, Broadview, Kipling, and Kennedy, and while the players and families have faced many hours of travel to practices and games, this provincial championship is certainly a fine reward for all the hard work, dedication, and commitment to the team, and the game of hockey.

Mr. Speaker, the Whitewood Bantam Elks are coached by Gary Carson, assistant coaches Brent Thompson and Guy Paquin, and trainer Robert Wilkinson.

Mr. Speaker, I would like this morning to extend a special thank you to the Whitewood Elks for their sponsorship of minor hockey in the community, and special congratulations to the players, coaches, and families, and fans of the Whitewood Bantam Elks for a job well done in achieving the goal of Provincial B Bantam Champions for the year 2001.

**Some Hon. Members:** Hear, hear!

#### **Employment Numbers Remain Strong**

**Ms. Jones:** — Thank you, Mr. Speaker. It's a given fact that sound financial management and wise budgeting are major factors in creating a vibrant economy. And the reverse is true as well.

I think it fair to say that in Saskatchewan, given where we started in 1991, the strong economic numbers we are seeing today in our provincial economy have their genesis in the wise budgets of our three excellent Finance ministers, Ed Tchorzewski, the member for Saskatoon Idylwyld, and our current minister.

Other perhaps more objective observers agree with me, Mr. Speaker. For instance, the March/April edition of *Business Unlimited* magazine says: "Employment numbers remain strong." It says the Saskatchewan labour market performed, quote: "extremely well in 2000."

It goes on to say that full-time jobs continue to increase, as does the number of youth jobs — those youth that the opposition says are leaving the province.

Further, Mr. Speaker, this article, and ones like it in this week's local papers, predict real GDP (gross domestic product) growth of 2.4 per cent in 2001, after leading the country with an annual average rate of 3.4 per cent between '92 and '99.

Saskatchewan appears to be chugging along quite nicely, Mr. Speaker. And in a few minutes, the Minister of Finance will be giving us news that will keep our economy humming. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

#### Hockey Team Advances to League Final

**Ms. Bakken:** — Thank you, Mr. Speaker. I'd like to congratulate the Saskatchewan Junior Hockey League Weyburn Red Wings on their victory over the Lebreton Eagles last night in Weyburn. The Wings now advance to the league final against the Nipawin Hawks.

Weyburn has been in the league final for six out of the last eight years, so hats off to Dwight MacMillan and his staff for year after year continuing to make winning teams in Weyburn.

Now it's on to Nipawin and then the Centennial Cup. So I'd once again like to congratulate them and wish them good luck.

**Some Hon. Members:** Hear, hear!

#### Saskatchewan Economy

**Mr. Wartman:** — Thank you, Mr. Speaker. Mr. Speaker, we are preparing to listen to the Finance minister present his budget — the eighth consecutive balanced budget this government has brought down. Something the former right-wing Devine Tory government could not do in nine tries.

We have heard the member from Saskatoon Meewasin give us hard evidence of how well our economy is doing, in no small part because of the excellent budgets that have been brought down by our Finance ministers.

We have heard the member from Saskatoon Greystone remind us of the excellent program for students which our prudent financial management has enabled. All good news, with more to come in a minute.

I want to point out one other piece of good news, Mr. Speaker, as reported recently by the Saskatchewan *Monitor*, edited by Doug Elliot. He says that many small towns in rural Saskatchewan with populations between 1 and 3,000 are growing. They are creating jobs in manufacturing, in construction, in mining and petroleum, and in services.

Mr. Speaker, as the member from Saskatoon Meewasin said, we have confidence in Saskatchewan — and I might add — in rural Saskatchewan.

Oom-glay and oom-day are not in our vocabulary. We have great hope, Mr. Speaker, our optimism and confidence are well supported by independent and reliable evidence.

Saskatchewan will prosper. Saskatchewan will grow.

**Some Hon. Members:** Hear, hear!

(10:15)

#### Congratulations to Ethel Sigurdson

**Ms. Draude:** — Thank you, Mr. Speaker. Mr. Speaker, as I become better acquainted with the people of Kelvington-Wadena constituency, I realize they have an abundance of artistic talents.

Today I would like to take the opportunity to congratulate Ethel Sigurdson of Wadena for her recent appointment by the Saskatoon Writer's Club as co-editor-in-chief of a book which will soon be published to showcase a number of Saskatchewan-written poems, poems depicting the trials and tribulations of life on the prairies.

Mrs. Sigurdson has had a long-time passion for writing poetry as a form of entertainment and as a great stress reliever. This latest experience will expand her writing skills into the field of editing and providing her with an opportunity to get a bird's-eye view of how others perceive life on the prairies.

Mr. Speaker, I'd like to take this opportunity to encourage my colleagues to join with me in offering congratulations to Mrs. Sigurdson on her appointment to the position of co-editor of this book, and I look forward to reading the final product when it's finished.

**Some Hon. Members:** Hear, hear!

#### ORAL QUESTIONS

##### Tax Provisions in Budget

**Mr. Hermanson:** — Thank you, Mr. Speaker. My question is for the Finance Minister. Well the people of southern Saskatchewan woke up this morning to the first of two snow jobs they're going to get.

**Some Hon. Members:** Hear, hear!

**Mr. Hermanson:** — Still, Mr. Speaker, everyone is anxious to see what the NDP has in store for them in this year's budget. But if it's anything like the last few NDP budgets, what we should be getting from the Finance Minister is an apology.

**Some Hon. Members:** Hear, hear!

**Mr. Hermanson:** — The NDP said they would cut taxes last year. Then they raised taxes instead. They said they would create thousands of jobs. But according to Statistics Canada, Saskatchewan actually lost 13,000 jobs over the last 12 months.

Mr. Speaker, will the minister please tell us, will Saskatchewan families finally see some tax relief this year or will the NDP increases in energy and power rates swallow up any tax cut?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, on behalf of the government, I implore the Leader of the Opposition to have just a few more minutes' patience and he will find the answers to many of his questions. And then he will stand in his place and congratulate this government for the budget that will be . . .

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Now, Mr. Speaker, the Leader of the Opposition talks about snow jobs. I tell you, with the hot air coming from there, the snow is not going to last long.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Now the Leader of the Opposition, Mr. Speaker, talks about last year's budget — last year's budget. Well he seems to have a short memory because, I think it was just yesterday, the Minister of Finance explained to him that in last year's budget the people of Saskatchewan were handed the largest tax decrease in this province's history.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — The largest tax decrease in this province's history plus new resources for health, new resources for highways, and a balanced budget, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Hermanson:** — Thank you, Mr. Speaker. Well the new Premier is trying to bail out his Finance minister but he couldn't explain why we lost 13,000 jobs.

The NDP's (New Democratic Party) mid-year financial report shows that the government is sitting on hundreds of millions in windfall oil and gas revenues. Meanwhile, Mr. Speaker, Saskatchewan families are being sucked dry by the NDP's power and energy rate increases.

Mr. Speaker, my question is so basic that even the Finance minister or the Premier should be able to understand it. The NDP has jacked up SaskEnergy rates, the NDP has jacked up SaskPower rates, and the NDP says that energy rates are going up again in the near future by as much as 40 per cent.

Mr. Speaker, will the Finance minister be cutting taxes in this budget by more than the increase in utility rates or will families be paying more again this year, just like they did last year?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, I will tell the House and those who watch these proceedings that this province enjoys the lowest energy rates in Canada.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — And I'll tell you, I'll tell you, Mr. Speaker, that as a result of this current fiscal year's budget that we're in, this . . . the people of this province have saved \$317 million in taxes.

Now I hear the Leader of the Opposition today in the House saying that what this government should do is to take the savings account and spend it. That's the plan — take the savings account and spend it.

Well, Mr. Speaker, we've seen this movie, we've seen this movie before, Mr. Speaker. We've seen a movie, which says

you can somehow mismanage the province and still balance the books. We've heard that movie before. We've seen a government, Mr. Speaker, that ran deficit budgets, that sold off assets, and nearly destroyed the province, Mr. Speaker.

That is not the plan of this government. The plan of this government is to provide a solid fiscal foundation and to connect this province to a bright future, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Hermanson:** — Thank you, Mr. Speaker. I would say to the Premier that the horror flick that he has imposed on the people of Saskatchewan has scared 6,700 people out of the province.

**Some Hon. Members:** Hear, hear!

**Mr. Hermanson:** — It's not surprising that the Finance minister and the Premier aren't listening to our questions. His government hasn't been listening to the people of Saskatchewan for years.

Mr. Speaker, the question that we ask is simple. They've jacked up power rates. They've jacked up energy rates. Last year they jacked up taxes for Saskatchewan families again. So we just want to know: will the minister be announcing new income tax cuts in the budget? Will the minister be announcing a cut in the PST (provincial sales tax)? Or will the NDP's massive power and energy utility rate increases mean the family will be paying more this year to the NDP government rather than less?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, the Leader of the Opposition talks about listening to the people of Saskatchewan. We are listening to the people of Saskatchewan, who believe in this province, who believe in its future. We look to the future with hope and optimism and not with the doom and the gloom that perpetually is coming from that side of the House.

Now, Mr. Speaker, the Leader of the Opposition talks about listening to the people of Saskatchewan. Well that's just what we've been doing. I'd like to know what he's been doing, Mr. Speaker.

I have here a very interesting document. It is an invitation, Mr. Speaker, an invitation to a dinner, an expensive dinner, if I may say — \$250 a seat — a dinner in Calgary, Alberta. And, Mr. Speaker, you know what the headline of this is? It says here, "The Saskatchewan Party Calgary Dinner." The Saskatchewan Party Calgary Dinner.

Mr. Speaker, we're listening to the people of Saskatchewan. We're not listening to the people of Calgary and Alberta.

**Some Hon. Members:** Hear, hear!

### Size of Government

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. Mr. Speaker, my question is also for the Premier.

The NDP government has been gouging families and businesses with high taxes for years. At the same time the NDP is saying to all of us to tighten our belts. Well, Mr. Speaker, families and businesses in this province have been tightening their belts and they have buried by NDP taxes. So we all want to know, Mr. Speaker, in this year's budget, will the NDP tighten its own belt?

Mr. Speaker, will the Premier confirm the NDP government is going to tighten its own belt by shrinking the size of the government's bureaucracy? Or will the NDP continue its habit of keeping government big and taxing families out of this province?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, on a daily basis, members of the opposition stand in this House and say we need to do more to fix the highways, we need more health care workers, we need more . . . better educational facilities for our children.

Well, Mr. Speaker, the highways do not fix themselves. More Highway workers fix highways.

I'll tell you health care is not delivered by freezing the budget for health care, Mr. Speaker. Health care is delivered by janitors and housekeepers and cooks and nurses and doctors and neurosurgeons — that's how health care is delivered.

And education is not improved except that we have teachers in those classrooms, Mr. Speaker.

Now our idea, Mr. Speaker, is to provide solid tax cuts for the people of Saskatchewan. Solid public services to the people of Saskatchewan in a balanced fashion. This is not an idea that we picked up at a dinner in Calgary, Mr. Speaker. This is an idea that comes from the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Thank you, Mr. Speaker. You know, Mr. Speaker, there were more people at that dinner in Calgary from the city of Moose Jaw than anywhere else in all of Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Mr. Speaker, another question for the Premier. It looks like the Premier has been hanging around with the Minister of Finance for too long. Neither one of them are interested in listening to the concerns of people in Saskatchewan.

Mr. Speaker, the NDP has spent the last 10 years downloading millions in costs to municipalities and school divisions. And it's the same old story — while the NDP is forcing municipalities and school divisions to raise property taxes, they've also been telling those local governments to tighten their belts.

Well, Mr. Speaker, it's time for the NDP to swallow some of its own medicine. Will the Premier be cutting the size of his government's bureaucracy in this budget or will we continue to see the size of government grow while families and businesses suffer?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, we have come through a very difficult fiscal decade in this province; a fiscal decade that did require the tightening of belts all over this province, Mr. Speaker. There are many of us who remember well the cause of the need to do that kind of belt tightening. It came straight from that group of men and women when they were in government. And we don't forget that.

Now he wants to talk about the dinner in Calgary, who was in attendance at the dinner in Calgary. Well, I wonder, Mr. Speaker, if the Leader of the Opposition recognizes some of the names on his committee that plan these dinners.

I see one Mr. Jim Dinning. Now would he not be the same Jim Dinning who was treasurer of the Conservative Government of Alberta? I see on the list of committee here, a Mr. Paul Schoenhals. That's a recognizable name. A gentlemen that I believe sat in this side of the House when they were in government, Mr. Speaker. It's a result of that kind of government that we've had the belt tightened.

Mr. Speaker, we're building today on the fiscal foundation that has been built by the former ministers of Finance and the current Minister of Finance and we're going to be connecting to a great future in this province.

**Some Hon. Members:** Hear, hear!

#### **Revenue-sharing Grants for Municipal Government**

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, my question's for the Minister of Municipal Affairs. You know, Mr. Speaker, this is a big day for that Liberal minister because this is the day he demonstrates to Saskatchewan people just what kind of influence he has with his new buddies in the NDP cabinet. And this is the day, Mr. Speaker, when we find out just how much influence that is — the minister and his Liberal colleague have had on the NDP's budget.

Mr. Speaker, after 10 years of NDP downloading on the municipalities, will the minister confirm for us that he's been able to use his Liberal influence to secure an increase in revenue-sharing grants for municipalities in this year's budget?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, on behalf of government, Mr. Speaker . . .

**The Speaker:** — Order. Order. The Premier will start over.

**Hon. Mr. Calvert:** — Well it is interesting, Mr. Speaker, they like to ask the questions but they apparently do not want to hear the answers.

Now, Mr. Speaker, as I said, Mr. Speaker, this province has been through a very difficult fiscal decade. We have put the fiscal foundations of this province right and now we have the opportunity, Mr. Speaker, to build on those foundations to connect this province to a very bright, hopeful, and prosperous future.

Like many in this province, our municipal governments had to bear some of that burden as many did in this province. But you will note, Mr. Speaker, in most recent budgets, we have committed to infrastructure programs in partnerships with our municipalities; we have engaged in a Centenary Fund to build the infrastructure of this province, Mr. Speaker.

We are committing today to the biggest highway project that this Saskatchewan people have ever seen, Mr. Speaker. And we're doing it, Mr. Speaker, we're doing it not by — not by — selling off assets, not by running deficits but by good solid fiscal planning, the kind you get in Saskatchewan and not in Calgary.

**Some Hon. Members:** Hear, hear!

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, what we're trying to find out today is this Liberals on that side, both of them, had any influence in the today's budget. Have they got any more money for municipalities who have been downloaded on for the past 10 years?

(10:30)

So again, I ask a question to the minister of municipal government. Mr. Speaker, the gang's all here today — the mayor of Regina is here; the mayor of Saskatoon is here; the presidents of SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) are here. Mayors and reeves from all over this province are watching on television, and they all have the same question. Just how much power and influence has the Liberal minister of municipal government had on this NDP's budget. They're all wondering after 10 years of downloading on municipalities just how much pull this Liberal minister has on the NDP cabinet.

Mr. Speaker, will the minister be able to deliver one new dollar in revenue-sharing grants for urban and rural municipalities?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, again I ask the members, a little patience. We're now just but moments from when the Minister of Finance will stand in his place and deliver the best budget that this province has seen in many, many years.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Just a little patience. He asks, Mr. Speaker, about the coalition and the coalition government. I'll tell you, Mr. Speaker, this coalition is strong and we're working well together to provide the people of Saskatchewan . . .

You know in this invitation, Mr. Speaker, that they sent out to Calgary to come to the Saskatchewan Party Calgary dinner — they said in this invitation, and I quote, Mr. Speaker, get this . . . He says in the letter here that the coalition is on very shaky ground, he says. He says that it's on very shaky ground. Well I'll tell you the shaky ground we're on, Mr. Speaker. This coalition government went to the constituency of Elphinstone and we won.

**Some Hon. Members:** Hear, hear!

### Study on the Impact of Gaming

**Ms. Eagles:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister Responsible for Gaming.

Under the NDP, the Government of Saskatchewan has become addicted to gambling revenue. This year the NDP will make hundreds of millions of dollars from their massive gambling expansion. Mr. Speaker, the NDP has been using gambling profits to balance its budget every year since 1995. And every year since 1995, the NDP has been promising a study on the impact large-scale gambling is having on communities and families in Saskatchewan.

Mr. Speaker, the minister has been promising a gambling impact study for six years. Will she table that study today or admit it was just another broken NDP promise?

**Hon. Mr. Calvert:** — Mr. Speaker, I am very happy to report to the House and to the member today that the study that she desires is underway — it is underway. We're looking forward, we're looking forward to the results of that important baseline study later this year, Mr. Speaker. And while that is underway, we have placed into programs to assist those who find themselves in difficulty through gaming in record numbers, Mr. Speaker.

So I'm pleased to be able to report to the House today that the study that the member asked for is now underway.

**Some Hon. Members:** Hear, hear!

**Ms. Eagles:** — Thank you, Mr. Speaker. Well, Mr. Speaker, I must say it's about time. And, Mr. Speaker, I also want to read something an opponent of gambling said about gambling expansion. He said, and I quote:

If they're going to begin funding vital public services like health and education on the whims of the gambling public, I think they're treading on very dangerous ground.

He went on to say:

Everyone admits the slot machine level of gambling brings with it certain negative consequences in terms of the impact on family life, increase in crime rate, prostitution, drugs, and so on.

Do you know who said those words, Mr. Speaker? The current Premier did back in 1989. I guess he's changed his tune since then.

Mr. Speaker, now that the Premier's in charge of a government that is funding health and education on the whims of the gambling public, I hope he will at least follow through with his government's promise to complete a full social impact study on the effects of his government's gambling addiction.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Calvert:** — Mr. Speaker, I was pleased some years

ago to stand in this House as associate and then minister of Health, to develop what was Canada's leading treatment and prevention program for gambling addictions. And I do not change my view of the necessity for that kind of programming and that kind of help.

But I tell you, Mr. Speaker, what's happened in Saskatchewan is a partnership, a partnership between communities, a partnership between First Nations people and Aboriginal people, a partnership between government with strict regulation on gaming in our province, with profits accruing to communities, Mr. Speaker, and in partnership — not in conflict — with the people of this province, Mr. Speaker. And we've seen the economic results of that for First Nations people.

Now I ask the members opposite, is it their plan therefore, is it their plan to eliminate the opportunities of gaming in the province? Is that their plan? Do they have a plan in such a regard, Mr. Speaker?

**Some Hon. Members:** Hear, hear!

### Potato Growing Industry

**Mr. Brkich:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for the Saskatchewan Valley Potato Corporation. Mr. Speaker, last year the minister said the government was getting out of the direct involvement in the potato industry. Instead they'd be working to encourage the development of the industry through private sector potato growers.

Mr. Speaker, now it seems the government is moving back in the other direction. They've bought a number of tractors, potato planting equipment from Arch Equipment in Outlook, and they are attempting to lease land in the Outlook area.

Mr. Speaker, why is the NDP trying to get back into the potato-growing business? Didn't they learn anything from the millions, from the millions of dollars they lost through SPUDCO (Saskatchewan Potato Utility Development Company)?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Again, Mr. Speaker, the opposition has criticized us continually over the last few days about the roles that the Crown corporations pay . . . play in this province, Mr. Speaker. Last session that member criticized us for what we were doing in Sask Water with SPUDCO.

Mr. Speaker, what we did is we took, we took SPUDCO, Mr. Speaker, and we put it into Crown Investments Corporation, put it more at arm's-length from government, and yet they criticize us.

Believe me, Mr. Speaker, Saskatchewan has a growing, strong industry in the potato sector. Right now, as an example, Prince Edward Island buys potatoes from Saskatchewan, Mr. Speaker. Saskatchewan has a strong industry in potatoes, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Brkich:** — Mr. Speaker, not only did the government lose millions of dollars last time around, they almost single-handedly destroyed the potato industry in this province. It's only now getting back on track and the NDP is intent on wrecking it again.

Mr. Speaker, why is the government buying equipment? Why are they leasing land? And why are they going into direct competition with private potato growers who are just recovering from the last NDP potato disaster?

Mr. Speaker, what is the mandate of the Saskatchewan Valley Potato Corporation is what we want to know?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Mr. Speaker, that member will know, if he spends some time up there talking to the growers in that area, Mr. Speaker, and I believe he does, but I don't think he's listening, Mr. Speaker, because if he's listening he will know that the growers in that area will want us to do exactly what we're doing, Mr. Speaker — that's to assist the growers in growing the potato industry.

And again I remind that member and members opposite, Mr. Speaker, that all across Canada in many jurisdictions they look to Saskatchewan to see what we're doing in that industry. Right now we have one of the best seed potato industries in all of Canada, Mr. Speaker, and we're proud of that.

**Some Hon. Members:** Hear, hear!

**Mr. Brkich:** — Mr. Speaker, there's different ways to help the potato industry — not by taking it completely over.

Mr. Speaker, I have another question for the minister on Sask Valley Potato Corp. Mr. Speaker, we understand that Sask Valley recently shipped 30 intermodal shipping containers by CN (Canadian National) Rail to the Cavendish Farms in PEI (Prince Edward Island). Apparently when the potatoes got to Moncton, it was discovered they were frozen so the entire shipment was sent back to Saskatchewan.

Mr. Speaker, will the minister explain why this happened? And how much money did this government lose on this shipment of frozen potatoes?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Again, Mr. Speaker, I say that if the member has been paying attention to what the growers in that area have been telling us, they want us to assist them in the best way we possibly can.

We started . . . We assisted the growers to start the industry. We helped them, Mr. Speaker, in getting the industry growing and going, Mr. Speaker, and it is our intention to continue to do that until we're able to turn it back over to the private sector. There's been no secret about our mandate with respect to potatoes, Mr. Speaker. We think we have a strong, viable industry in the potato sector and we're proud of it, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Brkich:** — Thank you, Mr. Speaker. There's certain ways you can help and I've talked to potato producers over there. They say to provide cheap rental on the potato storage sheds; provide so they can lease equipment — not to own the land. I've talked to them and that's what they've told me.

Mr. Speaker, I have one final question for the minister. How much money has the Sask Valley Potato Corp lost in the past year?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. The member talks about frozen potatoes. I'll tell you what that member and those opposition members wanted to freeze, Mr. Speaker. They wanted to freeze health care; they want to freeze education, Mr. Speaker. That's what they want to freeze, Mr. Speaker, that's what they want to freeze.

Mr. Speaker, our intent is to continue to assist where we can, and we've always said . . . And it's been no secret about our mandate with respect to potatoes, Mr. Speaker. Our mandate is to assist the growers in that area and when we can we will turn it back over to the private sector, Mr. Speaker, where it belongs.

**Some Hon. Members:** Hear, hear!

**Mr. Brkich:** — Mr. Speaker, my question again — and answer. I would like an answer and so, I think, all these people with me. How much money have you lost through SPUDCO? We know it's millions. And how much has the Sask Valley Potato Corp lost in the past year and with that shipment of frozen potatoes?

**Hon. Mr. Sonntag:** — While I'm on the subject of freezing, Mr. Speaker, the other thing we froze, Mr. Speaker, is we froze power rates, Mr. Speaker, for five consecutive years, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Sonntag:** — Five consecutive years, and with the rebate it'll amount to six years, Mr. Speaker.

Mr. Speaker, the more important thing is, is as I've said, we intend — and this has always been our mandate — to start an industry. The people over there, the members opposite, they want us to assist and create jobs in Saskatchewan, Mr. Speaker. That's our intent. We assisted with the growers out there to get the industry growing and we believe, Mr. Speaker, that that's what we've done.

When we have the opportunity to, it is our intention, Mr. Speaker, to turn that back over to the private sector where it belongs.

**Some Hon. Members:** Hear, hear!

## ORDERS OF THE DAY

### WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker. On behalf of the government, I'm pleased to stand and table the answers to

written questions 2, 3, and 4.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — The answers to questions 2, 3, and 4 are tabled.

## GOVERNMENT ORDERS

### TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. At this point I have received a message from the Lieutenant Governor. And it's my pleasure to submit the estimates and supplementary estimates accompanied by a message from Her Honour, the Lieutenant Governor.

**The Speaker:** — All rise for the message from the Lieutenant Governor. The message is as follows:

The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 2002, and supplementary estimates of certain sums required for the service of the province for 12 months, ending March 31, 2001, and recommends the same to the Legislative Assembly.

(Signed), Lynda Haverstock, Lieutenant Governor, province of Saskatchewan.

Please be seated.

(10:45)

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. I move, seconded by the Premier:

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

Motion agreed to.

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

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. Before I begin my substantive remarks this morning I'd like to, if I may be permitted, introduce among the very many special people here with us today a few special people in my life who are joining us here today. And I'd ask members to hold their applause till I've introduced them all.

First I'd like to introduce my wife, Pauline Melis. Seated with her are my sisters, Grace Hansen and Marg Cline, and my niece, Jenny Coxon. And I'd ask all members to welcome them to the Assembly and thank them for being here today.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Mr. Speaker, it's a great privilege for me to present my fourth budget to the people of Saskatchewan. Under

the leadership of the former premier, our province made tremendous strides forward. Together the people of Saskatchewan restored the province's fiscal health. Together we began the process of rebuilding and renewing our important public services. And together we created a solid foundation for growth and opportunity.

Mr. Speaker, last year I stood in this House and said that it was time to reach beyond our limitations. Time to build on over a decade's work to create new growth, opportunity, and prosperity for Saskatchewan people.

I made the commitment that the budget would put us on a firm course to achieve opportunity and growth for all, and that our government would do what was fair and what made sense for our province and our people.

Mr. Speaker, that commitment has been kept.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Mr. Speaker, it must be said, and it cannot be said enough, that Saskatchewan is a great place to live and Saskatchewan has a tremendous future, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And today's budget, Mr. Speaker, marks another major step forward. Under the leadership of a new Premier, this government will move in an exciting new direction, a direction that will connect Saskatchewan to the future. Connect our people to the future by making major investments in education, transportation, and technology. Connect Saskatchewan to a prosperous future by giving people the tools they need to succeed in a growing diversified economy.

Mr. Speaker, this government has delivered on its commitment to provide a simple, fair, and competitive tax system, building the solid foundation we need for a thriving economy and opening new opportunities for economic growth and prosperity.

In 2001, Saskatchewan people will pay \$317 million less in provincial income tax than they did before tax reform, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — That's progress, Mr. Speaker.

Mr. Speaker, our tax system is competitive. In 1993, the average Saskatchewan family had the second highest provincial taxes in Canada. In 2001, they're the fourth lowest.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And our top marginal rate is now the second lowest in Canada, Mr. Speaker.

Mr. Speaker, our tax system is fair. It focuses on providing significant tax relief for working families. And, Mr. Speaker, our tax system is simple. On January 1 of this year we eliminated the flat tax — the biggest tax grab in the history of

our province, Mr. Speaker. We eliminated the high-income surtax and we eliminated the debt-reduction surtax. Eliminated. Gone, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And that's progress, Mr. Speaker. And the budget I'm presenting today builds on that progress.

I'm pleased to announce that building on our new tax system, this budget increases the provincial tax credits that recognize post-secondary education costs for students, the credits for persons with disabilities, and the credits for caregivers.

Our tax reform ensures that Saskatchewan tax credits for CPP (Canada Pension Plan) and EI (employment insurance) contributions, tuition fees, charitable gifts, and student loan interest will match those provided by the federal government. And it begins the indexing of our income tax system.

Beginning in 2001, provincial income tax credit amounts for seniors, persons with disabilities, caregivers, and medical expenses will be fully indexed to inflation.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And that's progress, Mr. Speaker.

During this fiscal year as well, effective January 1, 2002, we will increase the child tax credit from \$1,500 per child to \$2,000 per child, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — We will increase the seniors' tax credit from \$500 to \$750.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And that's progress, Mr. Speaker.

And, Mr. Speaker, I want to point out that Saskatchewan is the only province with a universal child tax credit.

Mr. Speaker, our government is also committed to supporting Saskatchewan's business community in its effort to thrive and compete. Last year Saskatchewan business people told us that their number one concern was personal income tax. We listened; we responded with the largest cut in personal income tax in Saskatchewan's history, Mr. Speaker.

This year businesses asked us to address the issue of corporation income tax for small business. And, Mr. Speaker, once again we've listened. We're responding to the concerns of our small-business community.

This budget includes a business tax package that will improve our province's competitiveness and open new opportunities for growth and opportunity. And I'm very pleased to announce, Mr. Speaker, that effective July 1, 2001, the small-business corporate income tax rate will be cut from 8 per cent to 6 per cent.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — When fully implemented, Mr. Speaker, that is a 25 per cent reduction.

And effective January 1, 2002, the amount of income eligible to be taxed at the small-business rate will rise from \$200,000 to \$300,000.

That's progress, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And, Mr. Speaker, this budget recognizes the importance of attracting and retaining key personnel in our business and professional communities. I am pleased to announce that Saskatchewan will now permit all regulated professionals to incorporate their practices.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Mr. Speaker, our government is also introducing changes that will create jobs and growth in our resource sector, with a special focus on the North. With this budget we will be offering a new tax credit for mineral exploration and development in that region and elsewhere in Saskatchewan.

As well, Mr. Speaker, our government will spend an additional \$920,000 this year on our geoscience program to encourage exploration in the province, bringing our total commitment to \$3.4 million this year.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Mr. Speaker, last year we laid a foundation for growth and opportunity. We will stand on that solid foundation and meet the challenges of today.

Our economy is growing and will continue to grow. Last year our province's economy, more diversified than ever before in its history, grew by 3.4 per cent. Even in the face of the slowdown in the American and world economies, Saskatchewan will continue to grow in the range of about 2 per cent — a testament to the energy and confidence of our people. And that's progress, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — However, we must remain on guard and take note of the changing economic climate and realize we still face challenges.

The fiscal year just ending has been an exceptional year for natural resource revenue. As a result, our total revenue is projected to be almost \$6.8 billion for the year just ending.

In this new fiscal year, we expect a reduction of revenue of more than \$750 million. Let me repeat. Our revenues this year will drop by three-quarters of a billion dollars. In other times, this might have meant we would cut programs, raise taxes, or run a deficit. That would have happened had we spent all of our revenue last year. We did not.

Instead, we put \$775 million aside. We saved some to protect us against future volatility in our revenues — which we're experiencing even now, Mr. Speaker — and we saved some to help us build our province in a sustainable way.

There are those who say we should spend all the money we might get as soon as we get it. They point to many legitimate needs. But their approach would leave the province in the lurch when revenue goes down, creating deficits or the need for program cuts or tax increases. I want to make it very clear, Mr. Speaker, on this side of the House we believe that we must always save some part of our resources for the future to avoid those consequences.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Our dividend for past prudence is this. Today we're able, even in the face of fiscal pressure, to meet the critical needs of the province while ensuring its fiscal integrity for the people of today and for our children. And, Mr. Speaker, that is why our government today is able to announce major commitments to the health care system, our province's farmers, and to Saskatchewan's children for a better quality of life in the future.

Today, Mr. Speaker, I'm pleased to inform this House and the people of the province that in order to sustain our publicly funded health care system into the future, this budget provides \$229.5 million more — an increase of 11.6 per cent over last year's budget for health care, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Mr. Speaker, this funding will provide the stability we need as we work with our partners to review the recommendations from the commission on medicare and develop and implement our operational plan for health reform.

This budget will maintain quality health services while that collaborative process is undertaken. In addition, Mr. Speaker, this new funding will go towards a 22 per cent increase for the Saskatchewan Cancer Agency, the purchase of a second air ambulance, investments to ensure that all Saskatchewan children have a healthy start in life, and additional investments in other priority areas to enhance services and meet growing demands.

Mr. Speaker, this budget also addresses the needs of our farming community. We're making a commitment of an additional \$95 million for a federal/provincial farm income program that works for producers. In fact, the budget for the Department of Agriculture and Food will increase by 35.5 per cent this year, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — This is our commitment to our farmers as we proceed to negotiate with the federal government for a fair and effective farm income program.

In addition, this budget provides for a new adaptation program that will help farmers who wish to establish alternative operations. Our government will also invest more than \$5

million in our agri-business sector through the Agri-Food Equity Fund.

(11:00)

There will be more agriculture research and development funding because of this budget, and a new Saskatchewan Conservation Cover Program will give direct payments to farm operators converting marginal lands to perennial cover. A program helping farmers and improving our environment — that's progress.

A program helping farmers and improving our environment. That's progress, Mr. Speaker.

Our commitment to the environment goes far beyond this as well, Mr. Speaker. Saskatchewan has always shown leadership in environmental protection and management. Our government is demonstrating this leadership by embracing technologies that will help our environment today and tomorrow.

Mr. Speaker, today I am pleased to outline a major initiative in wind energy. Our government will purchase a minimum of 10 gigawatt hours of wind power from SaskPower each year for 10 years.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — This represents more than 15 per cent of executive government's total power consumption and it allows SaskPower to proceed with construction of 10 wind-generating turbines. The development of an alternative energy source for Saskatchewan. That's progress, Mr. Speaker.

And, Mr. Speaker, this government has taken care to ensure that it is doing all it can to be energy efficient. In 2000, the Government of Saskatchewan embarked on an energy management program aimed at reducing the government's energy costs by 20 per cent and reducing the emission of greenhouse gases by 15 per cent over three years. Over the next three years, government buildings throughout the province will become more efficient in their use of energy saving taxpayers' money and protecting our environment. That's progress, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And just as we see the environment as a critical part of our vision for the future, so too is the role of our arts and cultural communities. Their richness and diversity are an expression of the Saskatchewan spirit. That's why this government's commitment to arts and culture is strong. That's why we are committing up to \$125,000 a year to the art stabilization program. This investment will improve arts organizations' financial management, fundraising and market research, and the cultural industry's development strategy will have its funding more than doubled to \$450,000, Mr. Speaker.

This strategy provides operating funding to the Saskatchewan book publishers, the Saskatchewan recording industry and the Saskatchewan Craft Council for support and development of cultural industries. These investments enrich the cultural life of our province, contributing to the high quality of life that we

enjoy. And that is what this government's vision is about — ensuring that all people in Saskatchewan enjoy a high quality of life.

A high quality of life, Mr. Speaker. That vision is what is guiding us in our battle to reduce poverty. We know that the road out of poverty is through acquiring skills and finding work. That is what the building independence program and the Saskatchewan employment supplement are all about.

Because of our innovative strategy to reduce poverty, the number of people on social assistance has fallen in each of the last six years, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — That's progress, Mr. Speaker. Saskatchewan is the only province to reduce the incidence of child hunger — that's progress, Mr. Speaker. But it is not enough. We need to do more as creatively, compassionately, and co-operatively as possible to eliminate child hunger and give Saskatchewan children the best possible start in life.

We need to do more and we will do more to keep true to our values as we reach for our vision of a high quality of life for all Saskatchewan people. And no program better exemplifies these values and action on behalf of this province's children than the early childhood development strategy.

This strategy brings together the departments of Health, Education, and Social Services, and combines their efforts, resources, commitment, and energy for one objective — ensuring that all Saskatchewan people have a healthy start. We know early intervention improves the chances of success. This is the principle behind the early childhood strategy that builds on the success of our Action Plan for Children.

The early childhood development strategy focuses on special services for children with serious health, education, or developmental challenges in communities where the need for these services is exceptionally high. Helping the children who most need the help, putting our values to work — that's the Saskatchewan spirit at work.

Mr. Speaker, the early childhood development strategy will ensure that all babies born in Saskatchewan hospitals and their families will be screened for risk factors that may affect the child's development. It will provide intensive support services for high-risk children and families in need. And early childhood development developers will be employed across the province to aid Saskatchewan's children in getting a healthy start to life. That's progress, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Progress, Mr. Speaker, that is improving the quality of life for all Saskatchewan people.

Mr. Speaker, I've outlined how, even given the fiscal challenges before us, this government will provide for the most pressing needs of our people and communities in the areas of health care, agriculture, and programs to improve the quality of life for Saskatchewan's children.

Our government from its earliest days has been guided by the need for prudent, responsible fiscal management. From the beginning we have committed ourselves to limiting the future obligations we would pass on to our children by eliminating deficits and reducing debt. This is the legacy of our former premier and the promise of our new Premier. We will not saddle future generations with fiscal burdens which we create, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Today, Mr. Speaker, I'm introducing a budget that remains true to our strong commitment to fiscal prudence. It is our eighth consecutive balanced budget.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — But this budget is not just about limiting future obligations. It is about creating opportunities, Mr. Speaker. It is about expanding opportunities for our children and our young people by connecting Saskatchewan to the future. Connecting to the future is our long-term plan to build Saskatchewan's economy. It is about creating the prosperity this province needs to ensure that all our citizens can enjoy a high quality of life.

Connecting Saskatchewan to the future is about expanding opportunities for our young people to build and live in a province of growth and prosperity. It is about providing quality public services that matter to people. Connecting to the future means building economic capacity in our communities. Giving people the tools they need to plug in, participate, communicate, and compete.

Above all, connecting to the future means working together in the spirit of Saskatchewan to reach our shared vision of a high quality of life for all Saskatchewan people.

Mr. Speaker, our government will ensure that Saskatchewan connects to the future by strategic investments in three key areas: education, transportation, and technology.

Mr. Speaker, if Saskatchewan is to continue to prosper, it is essential that our province embrace the technology of the future and lead Canada and the world. That's why this budget launches an innovative information technology strategy. Our strategy will ensure that the people of this province have the tools they need to plug in, participate, communicate, and compete. And it begins with CommunityNet.

CommunityNet brings together the provincial government, SaskTel, and SCN (Saskatchewan Communications Network) to connect schools, post-secondary institutions and health facilities to a high-speed network.

CommunityNet will be Saskatchewan's on-ramp to the information highway, connecting our communities, giving people across the province access to government, public, and community services on a level not possible before. Offering a gateway to Saskatchewan people to take their talents, innovations, and ideas to the global marketplace. And, most importantly, improving and expanding the educational opportunities available to our young people.

By spring of next year, 30 per cent of Saskatchewan schools will be plugged into the future by CommunityNet. Virtually all schools will have improved access by 2005, giving Saskatchewan children in schools the tools they need to succeed.

CommunityNet will provide Saskatchewan students, no matter where they are located, with instant access to the world of learning. CommunityNet will open doors of learning and opportunity never before available to our province's students.

More than anything, CommunityNet is about connecting our education system to the future. But, Mr. Speaker, connecting to the future isn't just about connecting our kids and their schools and their communities to high-speed wires. It's about a lot more.

It's about providing them with the tools they need to succeed. That's why we are providing \$2 million per year for three years to improve in-school connectivity. That's why we will place instructional materials for our K to 12 schools on-line and provide \$3 million in each of the next three years for schools to develop on-line learning resources.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — It is clear that the investment we will make in CommunityNet and other related technology projects will help Saskatchewan people and communities connect in new and innovative ways.

And at the same time, Mr. Speaker, we must take care of our traditional network of connections. Mr. Speaker, we are going to fix the roads.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Connecting to the future is about a safe, reliable transportation system that works for people and our economy.

Mr. Speaker, I am proud to announce today an historic investment in our highway and transportation system of almost \$950 million over the next three years.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — This includes \$312 million this year, 25 per cent higher than last year's budget, and the largest single year investment ever made in Saskatchewan's highways.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — That's progress, Mr. Speaker.

Our primary highways will be upgrading to a 20-year life cycle, and our regional pavements to a 25-year life cycle. Our largest investment ever means the western portion of Highway No. 1 twinning project will be completed four years ahead of schedule.

Yes, Mr. Speaker, we'll finish the work on the national highway even though the federal government continues to avoid

contributing its fair share and living up to its responsibility. And, Mr. Speaker, with or without the federal government playing its role, our government will connect this province's transportation system to the future.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Our largest investment ever in highways and transportation will mean that over three years 800 kilometres of the province's thin membrane surface highways will be upgraded and able to handle heavy traffic.

But we cannot connect Saskatchewan's transportation system to the future without involvement from our communities. Building the transportation system of the future demands partnerships. Our government will continue working in partnership with rural municipalities and area transportation planning committees to improve our highways and our roads.

As part of that partnership, our government will be providing a \$15 million fund for the prairie grain roads funding program, increasing our commitment to fix the roads damaged by increased heavy hauling. Working together, we will build the transportation system that meets our province's needs and connects us to the future.

Mr. Speaker, I have outlined how we will connect to the future through the new technologies of the Internet and by investing in our traditional network of highways and roads. But now it is time to talk about where connecting to the future really begins.

(11:15)

It begins with education. It begins, Mr. Speaker, with the largest investment ever in our province's education, post-secondary education, and skills training — more than \$1.1 billion, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Because if we're to connect to the future, we must strengthen this most important link to the future. Mr. Speaker, because our government did what was right and what was fair in the struggle to regain our financial freedom, we are now able to focus on Saskatchewan's children and their future.

Think of it, Mr. Speaker, it was not that long ago that we spent more on interest payments than on education. In 1993-94, we spent \$865 million on education. That same year, interest on the debt was our second-highest expenditure of \$873 million interest costs. Think of it, Mr. Speaker, \$8 million more on interest than on education.

Well, Mr. Speaker, I'm happy to report to the people of this province that this year we will spend almost twice as much on education as we will interest payments to the bankers, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — And that's progress, Mr. Speaker.

K to 12 education funding will increase by 9.9 per cent, the

largest budget-over-budget increase in many years. We'll provide the highest amount of funding ever for foundation operating grants — a 16 per cent increase over the last two years.

We know that our future demands nothing less than such a commitment today, and that commitment includes innovative school programming that works. Community schools put this province's values of compassion, creativity, co-operation, and hard work into action. They are about keeping kids in school and letting them do what kids do best — learn.

Community schools work in partnerships with families and the community to provide educational and social supports for success at school and in life. Our commitment today means more community schools to help children with their futures. The number of community schools has doubled since 1995 and as a result of this budget, that number will double again this year, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cline:** — Forty-two new community schools, including for the first time, high schools and for the first time, rural community schools.

This budget will also mean more for Aboriginal education programs and it will mean a 20 per cent increase for special education for disabled students, more than double the funding of four years ago.

Mr. Speaker, beyond our commitment to improve and enhance K to 12 education, our government is committed to providing our young people with the technologies and opportunities they need to succeed in the new economy.

Job skills training is key to our future. That is why funding is being increased for SIAST (Saskatchewan Institute of Applied Science and Technology), apprenticeship programs, and northern training plans. All told, provincial training plans will reach more than 25,000 people this year.

This budget will also mean: on-line access to courses and curriculum materials for schools across the province; a virtual Saskatchewan campus which will provide one-stop, Web-based access to on-line post-secondary courses to students across the province; 325 scholarships for first-year students entering post-secondary studies in Saskatchewan to keep our best and brightest studying here; and significant improvements to our student aid program.

New technologies are shaping the future of our education system. Our government will invest in the technological tools our education system needs. Connecting education to the future will shrink the distance between educator and learner, and provide access to information from around the world.

Today our government is making a historic investment in education and skills training to give our young people the knowledge, the skills, and the tools to succeed.

Mr. Speaker, connecting to our future isn't just about making our largest-ever investment in education, or the biggest

financial commitment to our highways and transportation system in the province's history, or about our innovative information technology strategy.

Connecting to the future is really about employing our common values of creativity, co-operation, compassion, and hard work in pursuit of our shared vision of a prosperous Saskatchewan for all.

Our values are an expression of the spirit of Saskatchewan and its people — a spirit that allowed this province to overcome economic and fiscal challenges, and lead Canada in the development of progressive public policy.

We have progressed. And the progress we have achieved was possible because we had the courage and the conviction to regain our financial freedom — the freedom we needed to dream again, to dream of our vision of the future. And we will continue to progress because we are guided by our vision and strengthened by our values.

We will progress by investing in education and job training, by creating a better tax system, by preserving our public health care, by connecting to the information highway, by rebuilding our roads, by fighting poverty. That's what connecting to the future is all about — putting our values to work to build our economy and our province and achieve our vision.

And that, Mr. Speaker, is what this budget is about. Our vision of a province where all Saskatchewan people enjoy a high quality of life, where we seize the future with confidence and a spirit of innovation, keeping Saskatchewan the great place it is to work, raise a family, and prosper.

That is why, Mr. Speaker, I move, seconded by the Premier:

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

Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Thank you very much. Thank you very much, Mr. Speaker. Mr. Speaker, it is indeed a pleasure to respond to the Minister of Finance's budget on behalf of the official opposition.

And I want to acknowledge a number of people that are very important to me, Mr. Speaker. I want to acknowledge, sitting in the east gallery opposite, my father and my stepmother, Peter and Sophie Krawetz, and my stepsister, Yvonne Mackie. Thank you very much for being here.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Mr. Speaker, I too want to acknowledge the Leader of the Opposition and my colleagues for standing in for me last year at this time. I was unfortunately unavailable at that time and I want to thank them for their support.

I too want to thank the members opposite for your best wishes and your remarks during a battle. And let me tell you, Mr.

Speaker, good health is everything and I'm really glad to be back here.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Mr. Speaker, this morning my remarks will be brief and I want to indicate to all members of the Legislative Assembly that indeed those remarks will be brief so I would appreciate them remaining in their chairs — as well as our guests. I know that it's been a long morning and I will try to keep my remarks brief to allow you to exit very, very quickly.

You know, Mr. Speaker, when I got up this morning and I saw what the weatherman had brought us during the night, I couldn't help but think about last week's Throne Speech pronouncement that it's springtime in Saskatchewan. That may have been just a little premature, Mr. Speaker. And after listening to the budget speech this morning, it's clear to me that for the hard-pressed taxpayers of this province, springtime is still some time off as well.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — Mr. Speaker, thanks to the huge increase in oil and gas revenues, the Government of Saskatchewan today is enjoying a massive windfall. Unfortunately, they're the only ones enjoying it.

As a result of the oil and gas revenue, the government today is sitting on \$500 million. Some may even call it a half-billion dollar election slush fund. And how much of this money will go back to Saskatchewan families in terms of tax relief? Not one penny, Mr. Speaker. There will be no reduction in the sales tax that was massively expanded last year.

There will be no reduction in the gas taxes.

There will be no new cuts in income tax, even though the small amount of relief announced last year has been swallowed up by huge increases in utility rates.

There will be no reduction in property tax. In fact, property taxes are probably on their way up since urban and rural local government have been totally ignored in this budget.

Mr. Speaker, when high energy costs started to impact the bottom line of the family of Crown corporations the government took immediate action and raised the rates charged to Saskatchewan people.

But what did the families of this province receive to protect them from rising energy costs? \$25 — \$25, Mr. Speaker. So it's \$500 million for the government and \$25 for Saskatchewan families.

Mr. Speaker, there is a clear difference drawn between the government and the opposition on this point. The NDP believes tax dollars belong to the government. We believe tax dollars belong to the people of this province.

**Some Hon. Members:** Hear, hear!

**Mr. Krawetz:** — We believe the government should do

everything it can to leave more money in the hands of Saskatchewan families. Instead, the NDP uses the money for one thing — to make government bigger.

This year's budget incredibly includes spending \$50 million to hire 550 more government employees — in just one year. That 50 million is enough to raise the personal income tax exemption by \$1,000 a person, which would mean a tax saving of \$230 a family. But no, families will have to do without this year. There will be no relief from this government as it continues to sit on its \$500 million election slush fund.

Mr. Speaker, many people have been curious about the changes the new Premier would bring to the face of government. Today we've seen it. His vision is to keep taxes high and to make government bigger.

Mr. Speaker, my colleagues and I will have much more to say on this budget next week when we'll examine each of those departments much more closely. And with that, Mr. Speaker, I would move adjournment of debate.

**Some Hon. Members:** Hear, hear!

Debate adjourned.

#### **Resumption of Budget Debate**

**Hon. Mr. Lautermilch:** — Mr. Speaker, I move, seconded by the member from Saskatoon Eastview:

That the debate on the motion that this Assembly do now resolve itself to the Committee of Finance be resumed on Monday, April 2, 2001.

I so move.

Motion agreed to.

The Assembly adjourned at 11:31.