

The Assembly met at 13:30.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Elhard:** — Thank you, Mr. Speaker. This afternoon, Mr. Speaker, I stand to present a petition on behalf of the citizens of Cypress Hills, including the communities of Claydon, Frontier, Gull Lake, Hazlet, and Shaunavon. And the petition concerns the implications of the government's report entitled the Saskatchewan EMS (emergency medical services) development project which calls for provincially run and centrally operated ambulance services.

The petition reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to not implement the consolidation and centralization of ambulance services as recommended in the EMS report and affirm its intent to work to improve community-based ambulance services.

As in duty bound your petitioners will ever pray.

I so present, Mr. Speaker.

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I too rise today to present petitions on behalf of the people of the Humboldt constituency who are concerned about losing their community-based ambulance services.

And the petition reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to not implement the consolidation and centralization of ambulance services as recommended in the EMS report and affirm its intent to work to improve community-based ambulance services.

And the petitioners that have signed this petition, Mr. Speaker, are all from the town of Cudworth.

I so present.

**Mr. Stewart:** — Thank you, Mr. Speaker. Mr. Speaker, I wish to present a petition signed by citizens concerned with the conversion of paved highways to gravel.

And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to set aside any plans to revert Saskatchewan highways back to gravel, commit that the government will not download responsibility for current numbered highways onto local governments, and to consult with local residents, and to co-operate in finding and implementing other alternatives.

And the petition is signed by individuals from the communities of Briercrest, Moose Jaw, Hearne, and Claybank.

I so present.

**Mr. Wall:** — Thank you, Mr. Speaker. I rise again to present another in a great many petitions from the people of Swift Current regarding the hospital in that community.

And the prayer reads as follows:

Wherefore your petitioners will humbly pray that your Hon. Assembly may be pleased to cause the provincial government to carefully consider Swift Current's request for a new hospital.

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

Mr. Speaker, this petition is signed by people from Wymark, Abbey, from Swift Current, from Beechy, from Gull Lake, Hazlet, Carmichael, Tompkins, and Webb, Saskatchewan.

I so present.

**Ms. Bakken:** — Thank you, Mr. Speaker. I rise today to present a petition on behalf of residents of Weyburn-Big Muddy who are concerned about the EMS (emergency medical services) development project report.

And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to not implement the consolidation and centralization of ambulance services as recommended in the EMS report and affirm its intent to work to improve community-based ambulance services.

And this is signed by residents of Radville, Minton, Lake Alma, and Bengough.

I so present.

**Mr. Huyghebaert:** — Thank you, Mr. Speaker. Mr. Speaker, today I rise to present a petition on behalf of concerned citizens of Assiniboia with reference to the cuts at the Assiniboia Pioneer Lodge.

And the petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary actions to ensure that, at the very least, current levels of services and care are maintained at Pioneer Lodge in Assiniboia.

And as is duty bound your petitioners will ever pray.

And this comes from people at Wood Mountain, Assiniboia, Verwood, Limerick, Lisieux, Rockglen.

I so present, Mr. Speaker.

## NOTICES OF MOTIONS AND QUESTIONS

**Mr. Wall:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 15 ask the government the following question:

To the Minister responsible for Saskatchewan Government Insurance: how much money out of the personal injury protection plan did SGI pay directly to health districts and Saskatchewan Health for rehabilitation services in 2000-2001 fiscal year?

And also, Mr. Speaker, I give notice that I shall on day no. 15 ask the government the following question:

To the Minister of Crown Investments Corporation: how many vehicles will SaskEnergy and SaskPower be purchasing in the 2001 fiscal year; and how does this compare to the Crowns' vehicle replacement programs of previous years.

## INTRODUCTION OF GUESTS

**Mr. Hillson:** — Thank you, Mr. Speaker. It is with great pleasure that I introduce to you the 15 members of Crystal Formations. This is the Brant Figure Skating Club of Brantford, Ontario. They were in Regina this past weekend for the Canadian synchronized skating festival, and they won the silver medal.

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

**Mr. Hillson:** — Mr. Speaker, they are also joined by their coach, Judy O'Donoghue, parents, including Sylvia Ard of Brantford, and proud great-uncle, Walter Ard, of Meota, Saskatchewan. Thank you.

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

**Mr. Wartman:** — Thank you, Mr. Speaker, I, too, would like to extend a welcome to the members of the Crystal Formations, silver medal winners in the novice division.

In particular, though, I would like to extend a welcome to one of the skating Silver Blades, whose uncle has had some experience in skating on thin ice himself, over the years, in the rink, and that is the rink that is the Saskatchewan legislature.

Leanne Schrum's uncle is Ed Tchorzewski, our former wizard of Finance, who as much as anyone made Friday's excellent budget possible. Ed is a proud grandparent a few times over, and I ask members to welcome Leanne and all the Crystal Formations synchronized skating team to the Saskatchewan legislature.

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

**Mr. Huyghebaert:** — I also would like to welcome the group into the proceedings today. And I hope you enjoy the proceedings, and please be welcomed by the Saskatchewan Party.

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

## STATEMENTS BY MEMBERS

## A Budget for Saskatchewan

**Mr. Harper:** — More good news for Saskatchewan, Mr. Speaker. We're on the way, the bus is headed down the road, and the road is getting fixed. Friday's Saskatchewan budget is the talk of coffee row, the boardroom, the union hall, the schoolroom, and the accountant's office.

It's a budget made in Saskatchewan, by Saskatchewan people, for Saskatchewan people. We did not have to ask permission of the Calgary businessmen to bring down our eighth consecutive balanced budget. Our budget increases spending and services in key areas such as education, transportation, and health care; a budget that continues to lighten a personal tax load of Saskatchewan people. Nothing but good news.

And, Mr. Speaker, the opposition have a choice: they can either get on the bus or get out of the way because we're off to a prosperous future. Thank you.

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

## Raymore Rockets Win Hockey Championship

**Mr. Hart:** — Thank you, Mr. Speaker. Mr. Speaker, last Friday night the Raymore Rockets won the Senior A Men's Provincial Hockey Championship when they defeated the Cupar Canucks 6 to 3 in the second of a three game series. The Canucks . . . the Rockets won an earlier game by a score of 5 to 3.

The Raymore Rockets have a long history of being provincial champions. They've won the Men's Provincial C Hockey Championship on a number of occasions in the past years. The team is coached by Brian Bentz, managed by Howard Dobson, and the trainer is Cal Leganchuk.

Mr. Speaker, at this time I'd like to offer my congratulations to the players, team officials, and fans on a job well done. Thank you, Mr. Speaker.

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

## First Nations Initiatives in Saskatchewan's Budget

**Mr. Yates:** — Thank you, Mr. Speaker. More good news for Saskatchewan, Mr. Speaker. There was so much good news in Friday's budget that some of it might get passed over because of the major announcements in health, education, highways, tax reduction. And there is so much good news and it's so fun to repeat, Mr. Speaker, our eighth balanced budget. So much to tout and so little time to do it, Mr. Speaker.

One item in particular must be highlighted, Mr. Speaker. And I am surprised the opposition's Finance critic, an educator himself, had nothing to say about it, Mr. Speaker. Saskatchewan's strategy for Metis and off-reserve First Nations people will help make the budget theme of connecting to the future a reality for too many who have too often been left out, Mr. Speaker.

As the document says, a prosperous future for Saskatchewan

depends on the full participation of all its people. All people, Mr. Speaker, ensuring that all are able to participate in our society and in our economy is critical to our future economic well-being.

More importantly, Mr. Speaker, it is crucial to our moral status as a compassionate community. We must act, and we are acting now, Mr. Speaker.

Mr. Speaker, this budget includes \$10 million in incremental funding for new or expanded services to ensure that we make rapid progress in education, in employment, in housing, and in general social well-being for all citizens, Mr. Speaker. Thank you very much, Mr. Speaker.

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

#### **Birch Hills Public Library Receives Award**

**Mr. Wiberg:** — Thank you, Mr. Speaker. Mr. Speaker, I rise this afternoon to inform our honoured Assembly of a remarkable achievement pertaining to the town of Birch Hills, and more specifically, Mr. Speaker, to the Birch Hills Public Library.

The public library has been an integral part of the Birch Hills community since 1958 and was even featured in a National Film Board production entitled *Books for Beaver River* released in 1961.

Mr. Speaker, because of the hard work and dedication to reader services by librarian, Helen Shilling, circulation for the year 2000 is up 34 per cent over the previous year.

The local Library Board is also to be commended for its efforts, Mr. Speaker. The board's hands-on approach in fundraising has had a tremendous effect on keeping the library on solid financial footing.

Mr. Speaker, because of the fabulous year the Birch Hills Library has experienced, the Wapiti Regional Library has awarded Birch Hills the 2000 Wapiti Award. This award given annually since 1986 recognizes outstanding public library services and also recognizes the contributions made by the local board.

Mr. Speaker, I ask all members to join me in congratulating the town of Birch Hills and their public library.

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

#### **SGI Donates Van for Nipawin Youth Programs**

**Mr. McCall:** — Stop the press, Mr. Speaker. More good news for Saskatchewan.

The Nipawin youth group along with the Nipawin School Division outreach program received a special gift from SGI on February 28 of this year — a 1998 Chevrolet van. This van will give young people in the Nipawin area who do not have access to transportation the opportunity to attend programs in the town of Nipawin after school, in the evenings, or on weekends.

This story provides yet another great example of the strong commitment our Crown corporations have to the people of this province. Our Crowns are good corporate citizens, good corporate neighbours, and they are always looking for ways to pitch in and help the Saskatchewan community at large.

In this case, Mr. Speaker, it was by providing a van to be put to good use by the youth in the Nipawin area. In other cases it is through sponsorship of local amateur sports and recreation.

I am proud of the good work that our Crown corporations do in this province, Mr. Speaker. Strong community support from our Crown corporations plays a crucial role in making certain that this province and its people continue to make progress on the road to an ever-brighter, more prosperous future. Thank you, Mr. Speaker.

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

(13:45)

#### **Free-Fall Laboratory Proposed for Saskatchewan**

**Mr. Heppner:** — Thank you, Mr. Speaker. It's obvious that I'm excited about what I have to make a statement about today.

Saskatchewan has always been noted for its inventiveness and its innovation, traditionally due to the way the agriculture community manage to survive. And some of that innovation inventiveness has become evident in our scientific community and, probably most notably, out of Saskatoon.

One of our scientists out of Saskatoon made an announcement the other day, which I think is rather interesting, and that is to use one of the existing but abandoned old mine shafts from the potash mines as a place to test for the longest free-fall laboratory in the world. You can actually have 14 seconds of absolute free fall and you can slow that down a little bit to simulate gravity on other planets. So it's been picked up in a major sort of a way by the scientific community throughout the world, Mr. Speaker and I think that's exciting for Saskatchewan.

And not only is that a great example of free fall, but I think since last Friday the NDP budget is another example of a major free fall of a political party in this province. Thank you.

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

#### **Trades and Technology Competition Held in Moose Jaw**

**Ms. Higgins:** — Thank you, Mr. Speaker. It's my privilege to speak today about the Skills Canada Saskatchewan Competition that took place this past weekend in Moose Jaw.

Saturday was an intense day of trades and technology competitions by Saskatchewan's youth. About 300 young people demonstrated their skills and what they have to offer the world.

Saskatchewan has a lot to be proud of, Mr. Speaker. The Saskatchewan spirit was strong and alive in Moose Jaw this past weekend.

Skills Canada Saskatchewan encourages all young people to find rewarding careers in trades and technology, both within our province and around the world. These young people are great role models for other youth throughout our province. More and more, people are recognizing the tremendous career opportunity Saskatchewan trades and technologies have to offer.

The result for Saskatchewan, Mr. Speaker, is skilled workers earning good wages, quality work, satisfied paying customers, profitable business, and a growing economy.

Congratulations to everyone who participated this past weekend. The future is bright in Saskatchewan, Mr. Speaker.

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

### Spinal Cord Injuries Research Team

**Mr. Addley:** — Thank you, Mr. Speaker. We are all familiar with spinal cord injuries, especially since the high profile injury sustained by actor Christopher Reeve. In that specific instance, I'm pleased to mention that Mr. Reeve has recovered some touch and pressure sensation in his torso, hands and thighs and some mobility in his shoulders.

This sort of thrilling progress is made possible by research teams like one at the University of Saskatchewan that are experimenting with new therapies. The University of Saskatchewan team's research was recently published in the prestigious Federation of American Societies for Experimental Biology Journal.

Mr. Speaker, much of the damage caused by a spinal injury is caused by swelling after the injury is sustained. The University of Saskatchewan research is successfully investigating the methods of reducing that swelling using experimental drugs. The team leader is Dr. Bernhard Juurlink. The team includes neurosurgeon Robert Griebel, pharmacy professor Phyllis Patterson, post-doctoral fellow Huse Kamencic, and clinical research fellow Elisabeth Shultke.

This research will benefit many people around the world, Mr. Speaker. I call upon this Assembly to join me in congratulating this team of talented Saskatchewan researchers on a job well done and in praying for their continued success.

Thank you, Mr. Speaker.

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

### ORAL QUESTIONS

#### Staffing and Taxation Implications of Budget

**Mr. Hermanson:** — Thank you, Mr. Speaker. Today my question is for the Premier.

Mr. Speaker, Friday's budget laid out a clear plan to grow the government and absolutely no plan to grow Saskatchewan. Bigger government, more departments, 570 more civil servants — that's the NDP (New Democratic Party) plan. Keep taxes high, grow the government.

In the meantime our tax base is shrinking. Saskatchewan has lost 13,000 jobs and we've lost 6,700 people in the last year. And what's the NDP's solution? Keep taxes high, hire 570 more civil servants, and grow the government.

Mr. Speaker, why does the NDP budget contain a plan to grow the government and no plan to grow Saskatchewan?

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

**Hon. Mr. Calvert:** — Mr. Speaker, I do not know what it is that the Leader of the Opposition has against tax cuts when the small-business corporate tax rate in this province has been cut by 25 per cent in Friday's budget. Warmly, warmly welcomed by the business community across Saskatchewan.

Mr. Speaker, the Leader of the Opposition asks about those new public servants that are included in this budget. It is, Mr. Speaker, this opposition who has called for improvements and work in our highways and roads across Saskatchewan. Are they now saying that we shouldn't have the people to do it?

It is this opposition, Mr. Speaker, and their members, who have called for a response to the Child Advocate's report. Is it the opposition's point of view that we should not have child care workers to look after these children?

Mr. Speaker, this budget has been received across Saskatchewan warmly by business people, working people, farming people, rural people across Saskatchewan. Only in this House, Mr. Speaker, do we find this kind of opposition.

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

**Mr. Hermanson:** — Mr. Speaker, I say to the Premier, the Saskatchewan Party wants to grow Saskatchewan; it's your party that just wants to grow the government. And that's the problem with the NDP plan. It's unsustainable unless the tax base is growing. And, Mr. Speaker, thanks to the NDP, the tax base in Saskatchewan is not growing, it's shrinking. Thirteen thousand fewer jobs in the last year, 6,700 people moved right out the province of Saskatchewan.

The NDP is growing government, yes. But it's shrinking its tax base and that's a recipe for disaster.

Mr. Speaker, why did Friday's budget contain absolutely no plan, no vision at all for growing our tax base and bringing new jobs and new people into the province?

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

**Hon. Mr. Calvert:** — Mr. Speaker, I'd like to quote a friend of mine . . . operates a small business in Moose Jaw. He says, quote:

You're talking about a 25 per cent reduction in the tax rate. That is fairly substantial. When you talk about 25 per cent in your income tax rate anybody, for example, paying \$10,000 just saved \$2,500. This is a part-time staff member for probably six months.

Mr. Speaker, across Saskatchewan the business community, the

small business community that is the economic engine that creates many of our jobs in this province, are greeting this budget with gratitude and applause.

The only place we hear this kind of criticism is from this opposition and that leader, Mr. Speaker.

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

**The Speaker:** — I ask that all remarks be directed through the Chair.

**Mr. Hermanson:** — Thank you, Mr. Speaker. I think the Premier must be in a dream world because all over Saskatchewan his budget or his Finance minister's budget is getting the thumbs-down.

Mr. Speaker, the NDP's own budget document show how little confidence they have. They don't have the confidence in their own ability to create new jobs. In the 1999 election campaign, they sent around a paper to everybody in Saskatchewan saying, we'll help create 30,000 more jobs.

Well, Mr. Speaker, in this budget they're projecting perhaps 20,000 jobs over the next five years. In reality, Mr. Speaker, there is no way they're going to even reach 20,000 given the disastrous budget they just introduced.

In the last year alone, Mr. Speaker — and the Premier doesn't seem to get this — Saskatchewan lost 13,000 jobs, and that's thanks to his government and its policies.

Mr. Speaker, my question: why is the NDP growing government when it has no plan to grow the province of Saskatchewan?

**Hon. Mr. Calvert:** — Mr. Speaker, over the course of this weekend in response to the budget, people in Saskatchewan, people like road builder Brent Warner says the budget was pretty popular.

Gary Shaddock, SSTA (Saskatchewan School Trustees Association), the school trustees: we see this year's budget as an investment in our children. Wayne Clements of the STF (Saskatchewan Teachers' Federation): we are quite excited. Lyle Leys, Chair of SAHO (Saskatchewan Association of Health Organizations): certainly there are positive things here. Greg Ahenakew: it's a good first step. Peter Gilmer, anti-poverty ministry: we're happy to see funds.

Road builders, community builders, the economic, small-business people of our province are in agreement, Mr. Speaker, this is a good budget — good for the people of Saskatchewan and good for the future of Saskatchewan.

Mr. Speaker, we've been talking to Saskatchewan people. I get the feeling the Leader of the Opposition's been back in Calgary having another dinner. Maybe some of his friends over there don't like it. But, Mr. Speaker, the people of Saskatchewan across the province are applauding this budget and this Minister of Finance.

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

**Mr. Hermanson:** — Mr. Speaker, I would say to the Premier if he'll listen, we did have a dinner in Calgary, and we met with a lot of people who used to live in Saskatchewan. And yes, Mr. Speaker, we did raise some money, and we brought it back to spend here in Saskatchewan.

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

**Mr. Hermanson:** — Mr. Speaker, we want to bring people back to Saskatchewan after years of the NDP driving them out. That's the problem, Mr. Speaker. The NDP has no plan to attract people and jobs from other provinces, and then they condemn the Saskatchewan Party for even talking to the business community in Calgary.

Mr. Speaker, we are going to continue talking to the business community in Alberta and other provinces, and we're going to tell them that Saskatchewan will be a great province to do business in, to create jobs in, once we get rid of the NDP.

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

**Mr. Hermanson:** — Mr. Speaker, how on earth does the Premier expect to attract new investment and jobs from other provinces when he won't even sit down and talk to these people.

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

**Hon. Mr. Calvert:** — Mr. Speaker, I don't know who the Leader of the Opposition talks to and I don't know who he listens to. But I know that we're listening to Saskatchewan people. And I'm listening to the voice, for instance, of the Canadian Federation of Independent Business director, Marilyn Braun, who says about this budget, what that will do — referring to the reduction in the small-business corporate tax rate — what that will do is to encourage small firms to grow and expand and that is something we recommended to the government and it's apparent they've been listening, Mr. Speaker.

This government, Mr. Speaker, listens to the small-business community. We listen to the people involved in agriculture, we listen to the people involved in our resource industries, we listen to people in the community, and we make our decisions based on that kind of opinion. We do not go and hold \$250-a-plate dinners in Calgary to get our advice from there, Mr. Speaker.

We get our advice from Saskatchewan people. It's Saskatchewan people who are applauding this budget all across the province, Mr. Speaker.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. Of course small business are going to lose all of that tax-cut benefit because they're going to pay higher municipal taxes courtesy of the NDP government.

Mr. Speaker, what happened to the NDP's election promise if they said we will create an additional 30,000 new jobs within the next five years? Thirty thousand jobs, new jobs, was the

NDP's election promise. But now in their own budget they admit that they are not going to meet this goal. In fact, Mr. Speaker, according to Statistics Canada they're losing jobs — 13,000 jobs in the last year. Meanwhile they hire 570 new government employees. Mr. Speaker, it's a growing government and a shrinking province. That's the NDP plan and it just simply does not make any sense.

Mr. Speaker, why is the NDP growing the government and shrinking the province? Why are they backing away from their job creation projections of 1999?

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

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker. I'm very happy to answer this question on behalf of the Government of Saskatchewan, and I want to say to members opposite that our commitment is to grow jobs. But I tell you what our commitment also is — the professional civil servants who serve this people and have well.

And I want to tell you the difference between members opposite and members on this side, and I quote from the Leader of the Opposition:

Before I agreed to run for the leadership I asked MLAs, do you know where the deadwood are? Do you know who the skunks are? They assured me they know those people. Civil servants can be very powerful. Look what they did to the Devine government.

Mr. Speaker, there is a difference. We respect the men and women who work in the Crowns and who work in the civil service. They don't. We're going to build this province working with civil servants, not working against them.

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

#### Personal Tax Provisions in the Budget

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

Mr. Speaker, the NDP took in over \$500 million in windfall oil revenues last year. They socked away over \$500 million in their election slush fund. And how much of that money did they give back to Saskatchewan families in the form of new, personal tax cuts? Zero — 500 million in the slush fund, millions of dollars to hire 570 new civil servants, and no new tax cuts for Saskatchewan families.

Mr. Speaker, why is the NDP ignoring the needs of families hurt by higher SaskEnergy rates, higher SaskPower rates, and higher property taxes? Why is the NDP refusing to give Saskatchewan families a break by cutting their taxes?

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

(14:00)

**Hon. Mr. Cline:** — Mr. Speaker, after the budget on Friday, I went out for Chinese food with some family members and friends and we had a very nice meal at the Peking House in

Regina. And my fortune cookie came along and it says, Mr. Speaker, and I quote, "strong and bitter words indicate a weak cause." And that's . . .

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

**Hon. Mr. Cline:** — Because I want to tell you, Mr. Speaker, and the people of the province, they said they wanted us to fix the roads. We're fixing the roads, Mr. Speaker. They said they wanted more money in the schools. We're putting more money in the schools, Mr. Speaker. They said they wanted us to cut income taxes. We're cutting income taxes, Mr. Speaker. They said they wanted us to cut business taxes. We're cutting business taxes, Mr. Speaker.

So what are they complaining about? Is it the nine credit rating upgrades in a row, Mr. Speaker? Or is it the eighth consecutive balanced budget, something they would never deliver in a dozen years, Mr. Speaker.

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

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. You know, Mr. Speaker, it's interesting — the Saskatchewan Party believes in listening to Saskatchewan families and taking advice. The Minister of Finance is taking advice from a fortune cookie.

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

**Mr. Krawetz:** — Mr. Speaker, on Friday the Minister of Finance said we didn't want to give taxpayers a break because he didn't want to reach into his bank account. That speaks volumes about NDP's arrogant attitude.

First of all, it's not his bank account — that money belongs to the taxpayers. And second, when the minister says he doesn't want to reach into his bank account, he's really telling Saskatchewan families he'd rather reach into your bank account. He'd rather reach into your bank account for higher energy bills, for higher power bills. Meanwhile the Minister of Finance is sitting on a \$500 million slush fund.

Mr. Speaker, how does the minister justify sitting on a \$500 million bank account while the NDP continues to attack Saskatchewan families' bank accounts?

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

**Hon. Mr. Cline:** — Mr. Speaker, we on this side of the House all know, and the people of Saskatchewan already know, that if those members ever get their hands on the purse strings of this province there will be no surplus, Mr. Speaker, because they will spend every penny that comes in and more so, Mr. Speaker.

And if we had listened to the members opposite last year, Mr. Speaker, and spent all the money — because that's what they told us to do last year — we would be in deficit this year, Mr. Speaker. That is the record of the members opposite and amazingly enough, Mr. Speaker, they have learned nothing from the past. That is the plan of the members opposite today. To spend all of the money that the people have, Mr. Speaker. That would lead us back into deficit and debt.

Instead, Mr. Speaker, we've had eight consecutive balanced budgets, nine credit rating upgrades, and that's our plan and that's where we're going to continue to go, Mr. Speaker.

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

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. You know, Mr. Speaker, it's particularly galling that the NDP is telling Saskatchewan families to tighten their belts while at the same time the NDP is loosening the government's belt by several notches.

The NDP will hire 570 new civil servants and spend 50 million more on government salaries this year. At the same time they are telling taxpayers we have no new money for any new tax cuts.

Mr. Speaker, how can the NDP tell the Saskatchewan families that they have no money for new tax cuts, no more money for further energy rebates, when they have millions of dollars to hire 570 new government employees this year?

**Hon. Mr. Cline:** — Well, Mr. Speaker, this is how nonsensical the position of the opposition is. They say they want us to fix the roads, but they don't want us to hire anybody to fix them, Mr. Speaker. Think about the logic behind that, Mr. Speaker.

Well, I want to tell the members opposite, I was on the open-line this morning on CKRM and a fellow called Al phoned, who was a Saskatchewan Party supporter, he said — and he also said he approved of the budget, Mr. Speaker — and he said that this government is doing a good job, Mr. Speaker.

And I think Al and a lot of other people in the province, Mr. Speaker, are starting to question whether the Stockwell Day-inspired, voodoo snake oil from the opposition makes any sense. And I think the people of Saskatchewan, Mr. Speaker, know that it doesn't make any sense, and they're going to look at our plan for education, for health care, for transportation, and for the information highway, and they're going to support our plan and reject the snake oil economics of the opposition, Mr. Speaker.

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

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. You know, Mr. Speaker, the Finance minister has raised a very important point about how that government is going to grow its size — how it's going to become bigger.

Mr. Speaker, I want to tell you about an article of this morning, the order-in-council. The NDP has hired the first of its 570 new civil servants — his name is Dennis Gruending. That's the defeated MP (Member of Parliament), NDP MP, Dennis Gruending. By the way, that's Nettie Wiebe's brother-in-law, Dennis Gruending. He's going to be a communications advisor in the Premier's office.

That's the NDP priorities. No new tax cuts for Saskatchewan families — government jobs for defeated NDP MPs.

Mr. Speaker, how does the Premier justify telling Saskatchewan families to tighten their belts while creating new jobs for

defeated NDP MPs?

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

**Hon. Mr. Lautermilch:** — Mr. Speaker, I'll tell you what this government won't apologize for is hiring qualified people to do jobs within executive government and other areas. Now, Mr. Speaker, the members opposite . . .

**The Speaker:** — Order, order.

**Hon. Mr. Lautermilch:** — Mr. Speaker, think of the silliness of the position. We in this budget are hiring 86 full-time equivalents to work on highway construction and repair. We are hiring 60 full-time equivalents to respond to the Children's Advocate report on social services — our kids, Mr. Speaker. And that's deadwood?

I say to you, Mr. Speaker, those members are on very much a misguided path. The people of Saskatchewan want good, decent, and responsive government. It takes people to deliver that and we will ensure that the qualified people required in this province are going to be there to do the job.

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

#### Funding for Municipal Governments

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Municipal Government.

Well the verdict is in, Mr. Speaker. Cities, towns, and villages in Saskatchewan are giving two thumbs down to the NDP's budget. The Saskatchewan Urban Municipalities Association says the NDP's budget is going to drive property taxes up between 3 and 6 per cent. That means an NDP property tax increase for urban taxpayers of between 15 and \$20 million.

Mr. Speaker, the NDP government had a choice. They could have cut taxes and reduced the size of government, but instead the NDP chose to raise property taxes and hire 570 new government civil servants.

Mr. Speaker, will the Minister of Municipal Government explain why he is supporting an NDP budget that raises property taxes to pay for 570 new government employees?

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

**Hon. Mr. Osika:** — Mr. Speaker, I'd like to tell you and the members opposite that this government is committed to all the municipalities throughout this province. And we have been responsive and we have been listening to them and we ask for their input. And I would just like to, I would just like to quote from a media release on January 24, 2001:

Local governments seek education tax relief from the Finance minister. The presidents of three local government associations met with Finance minister Eric Cline on Wednesday to remind the government of the need for education tax relief for property taxpayers in the upcoming provincial budget.

Well, Mr. Speaker, did people here hear what is going to go into education this year? Twice the amount, twice the amount, Mr. Speaker, of what the interest is going to be on the debt that was racked up during the 1980s, Mr. Speaker.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, the minister says he's been listening to municipalities. Well Friday afternoon that minister should have been listening to six mayors and Mike Badham that had a press conference. Here's some of the things they had to say, Mr. Speaker. SUMA (Saskatchewan Urban Municipalities Association) president Mike Badham says, and I quote:

Urban governments are looking at property tax increases that could average between 3 and 6 per cent.

Saskatoon Mayor Jim Maddin said a copy of the budget was the only thing the NDP people had for his city.

Regina Mayor Pat Fiacco said, and I quote:

Municipalities are completely shut out of this budget. Urban centres have been absolutely blanked.

Mr. Speaker, to the Minister, is that the influence that Liberal member from Melville has brought to the cabinet table? A budget that completely shuts out cities, towns, and villages, and forces a big fat property tax increase for Saskatchewan families?

**Hon. Mr. Osika:** — Mr. Speaker, I just remind the member opposite to be careful what he asks for. As the Finance minister's fortune cookie says, he may get what he asks for.

Let me just remind the member opposite . . . And I recall the other day, he was asking about the Liberal influence on this particular budget. Well I just want to remind members here that in 1999, our platform, the Liberal platform, the coalition government here, said that highways were a major priority.

Well guess what? When the Minister of Finance announced the amount of money, the excessive amount of money for our highway system in this great province, Mr. Speaker, it knocked the hon. member from North Battleford right out of his chair.

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

**Hon. Mr. Osika:** — This budget has the largest increase in education ever seen in this province, Mr. Speaker. Those were priorities of the Liberals.

And now that we're in the coalition government, I'm amazed; and I accept the humility by the member from North Battleford for not accepting a lot of the credit because he had a lot to do with this.

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

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, and to the minister, it's not only us that are asking for money for municipalities. It's reeves and mayors and aldermen and

councils from all over this province. He should have listened to what they had to say and they wouldn't have been shut out from this budget.

The mayor of Saskatoon says his city was shut right out. The mayor of Regina says his government . . . this government, is ignoring cities altogether. Is that Liberal influence in this NDP cabinet, Mr. Speaker?

Mr. Speaker, why are the Liberals MLAs for Melville and Saskatoon Northwest propping up an NDP government that shuts out their communities and raises property taxes for their own constituents, while growing the size of government by hiring 570 new government employees?

Mr. Speaker, will the Minister of Municipal Government do the right thing and oppose — I repeat, Mr. Speaker — oppose the NDP government's plan to ignore urban municipalities and drive taxes even higher?

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, the members opposite are confused again. I remind the members opposite of their platform where they talked about decreases on personal income tax and they talked about more money for highways and they said they were going to freeze all other spending to the rate of inflation.

(14:15)

And what that means, Mr. Speaker, their vision, their platform, would have meant actual increases to property taxes on the municipal and education side.

The fact of the matter is, Mr. Speaker, on the education side, if we would have targeted the amounts to inflation, there would have been \$60 million more under their plan in the foundation operating grant. In essence, it's over \$60 million they would have off-loaded onto property payers all across this province, Mr. Speaker. And that's not our plan, our plan is to do the best we can for the people of Saskatchewan.

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

## ORDERS OF THE DAY

## WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker. On behalf of the government, I'm very pleased to table the response to question no. 5.

**The Speaker:** — The answer to question 5 is tabled.

**Mr. Yates:** — On behalf of the government, I am very pleased to table the response to question no. 6.

**The Speaker:** — Six is tabled.

**Mr. Yates:** — Convert.

**The Speaker:** — Request for conversion to motion for orders

for return debatable for question no. 7.

**Mr. Yates:** — Convert.

**The Speaker:** — Question no. 8 is converted to motion for return debatable.

### SPECIAL ORDER

#### ADJOURNED DEBATES

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that the Assembly resolve itself into the Committee of Finance.

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's great to be back here on a Monday and to continue with the remarks on the budget that was proposed last Friday.

I had an opportunity on Friday, Mr. Speaker, to just touch on a few brief areas where we saw this government move in a totally wrong way. And I want to develop a few more concepts, Mr. Speaker, this afternoon because I think very clearly I had the opportunity to listen to people across this province over the weekend, to listen to talk shows, to look at the articles in the paper. And we have recognized that there are about five or six key areas.

First of all, Mr. Speaker, this budget has created a bigger and more intrusive government, that's number one.

Number two, there's a total lack of vision; there is no plan. There is no plan to grow this province, there's no plan to address the property tax. There is just no plan.

Thirdly, Mr. Speaker, we will have higher taxes for Saskatchewan people because of this budget.

The fourth point, Mr. Speaker, is that job creation is just not a priority of this government. And finally, the government — not people; not the small businesses — they will be the beneficiaries of this budget.

Mr. Speaker, this budget is not written by a government with a serious interest in the long-term interests of Saskatchewan. This is a budget written by a government worried only about its own short-term political interests. Very little mention, Mr. Speaker, about future economic growth. What will we see for this province?

As the Leader of the Opposition pointed out in question period this afternoon, Mr. Speaker, their goal of 30,000 jobs announced in their 1999 election campaign has now been reduced — it's now only 20,000. And people in this province don't have confidence in that number, let me tell you that, Mr. Speaker.

There is a concept out there that says that the political future of this government is more important than the future of families in this province. We see more money spent in some areas. And

while it is welcome and I do want to congratulate the government for the specific spending in certain areas — we see extra spending in Highways — we're not sure exactly in how much over last year.

We see extra spending in Education. We know what the increases have been for education. Education has been calling for at least \$32 million just to break even. There is no plan to address the 60/40 concept on property tax.

We take a look about health care and the fact that this government is touting a \$2.2 billion expenditure on health care. The question, Mr. Speaker, that has to be asked — and people in this province are asking — what did this government promise to spend last year in relationship to what they've announced this year? Those are numbers we have to take a look at.

I am concerned that this government's sudden decision to loosen the purse strings in these areas is not accompanied by an overall plan. This is a government that doesn't know where it's going or where it wants Saskatchewan to go. That's a recipe that allows a lot more money being spent on services that are the same or worse.

Mr. Speaker, let's take a look at the Health budget, as I've said. The Health budget is now \$2.2 billion. You know, Mr. Speaker, five years ago it was \$1.5 billion. Yet even with such a large budget increase in a relatively short period of time, has service improved? I'd venture to say, Mr. Speaker, if you've talked to people who are on waiting lists — not just waiting lists for elective surgery, waiting lists for urgent surgery; those lists are growing — those people don't believe that they have improved services.

I think many Saskatchewan people, Mr. Speaker, will tell you that and will tell you very clearly that the closure of health facilities, that the reduction of acute care beds, has placed a further burden on them, not only emotionally but financially as well, Mr. Speaker.

We know of dozens and dozens of people that are travelling longer and longer distance to receive acute care services. Mr. Speaker, let's take a look at the mid-year financial report in the area of health expenditures.

Last year's budget — as the Minister of Finance bragged about — was one of the largest expenditures in health care. And then during the course of the year, there was an update contained in the mid-year financial report, which is the Minister of Finance's own document. In this document, Mr. Speaker, he indicates that the Transition Fund, the \$150 million that was set aside in last year's budget, was now being increased by a further \$33 million.

Where was that money coming from, Mr. Speaker? Well, that was federal transfers. In the fall of 2000, the federal government announced a billion dollar program for medical equipment across Canada; Saskatchewan's share being about \$33 million. So the province took that and it increased its Transition Fund to \$183 million.

At the same time, in the mid-year projection, it said that this government projects to spend on health 1.987 on regular health

care services. So let's add those two numbers up, Mr. Speaker — 1.987 plus the \$183 million from the transition medical equipment fund, we now have \$2.17 billion projected to be spent in the fiscal year just ended two days ago. And this government stands last Friday and says, we're now spending \$2.2 billion on health care.

Well let's look at that, Mr. Speaker. 2.207, 2.170 projected to have just been spent. Mathematics tells me that's a difference of \$37 million. That's the only increase in health care, Mr. Speaker. Not 200-plus-million dollars. An actual expenditure over last year's projections of \$37 million.

Yes, Mr. Speaker, and as my colleagues pointed out, when you're looking at a \$2 billion budget, and you have an increase of only \$37 million, that's less than two per cent. That's less than the inflation rate.

So while the minister over there talked about the fact that we couldn't freeze costs because they wouldn't meet the expectations of health care. They're not only not meeting the inflation, they're spending less than that, Mr. Speaker — less. And they're talking that this is the greatest thing for health care.

Mr. Speaker, I want to indicate that these numbers are contained in the mid-year financial report — very clearly, they are indicated. They are the Minister of Finance's own numbers.

Mr. Speaker, let's take a look at what we might see over the next five or six months. You know what I predict? I predict that members opposite will convince themselves that all problems and areas such as health care or highways have now been solved because budgets have been increased. That's what they're going to do. They're going to convince themselves that all the problems have gone away because they're spending \$2.2 billion on health care. That's just not going to cut it, Mr. Speaker.

Of course spending money is the easiest thing for a government to do. But if that government's vision stops at simply writing the cheque, the taxpayers aren't going to get much for their tax dollars.

Mr. Speaker, last fall a problem, which I'm sure was occurring in many areas of the province, was taking place in the East Central District health area of which part of my constituency lies in that district. There was a public meeting called to discuss the future of the four acute care beds in the community of Foam Lake. I want to remind the members and you, Mr. Speaker, that East Central District is the district that currently does not have a board. It does not have an elected board; it does not have an appointed board; it has a one-member board.

This gentleman, Dr. Klippert, was sent to East Central to manage the affairs because things had gotten, well, I guess a little out of hand, and there was a concern that people were very worried about health care delivery in that East Central region.

At this public meeting, Mr. Speaker, in October of 2000, over 700 people turned out to question Mr. Klippert, or I should say Dr. Klippert, on what he would intend to do.

And I want to read a quotation, and it's a direct quotation of Dr.

Klippert as to why he was there. And this is his quote, and he says, I quote:

In light of my mandate here which is largely an economic one and not a medical one . . .

Mr. Speaker, we have a person in charge, in East Central District, determining the health care needs — the health care needs of the people of the East Central District with a financial mandate, not a medical mandate. Couldn't care whether or not the services are maintained in Foam Lake or whether people have to drive 65 miles to get the next acute care level. Doesn't matter whether there's 2,000 or in fact, as the committee has indicated, much more than that, over 2,000 people that need that care, but it's a financial question, Mr. Speaker.

This is the problem. This government is not listening to the needs of the people of Saskatchewan. The letters have been many, Mr. Speaker. These are people that want this government to be aware of the concerns of everyone in this province, not just the specific people in their constituencies. They have to be aware of what's going on out in Foam Lake, Saskatchewan as well, Mr. Speaker.

There is no vision. And I just want to share another example that further emphasizes that fact that this government lacks a vision. We saw an example of this lack of vision just a week or so in the area of highways. The member from Thunder Creek told us about Highway 43. Along this highway are a number of businesses, including manufacturing businesses, that depend on the highway to transport their products.

Many people are employed in these businesses. But rather than take into consideration the economic importance of this highway, we heard the minister say just the other day, the government will be plunging ahead with a plan to build a parallel grid road in the area instead of fixing the highway. This despite the fact that employers say this decision could cause their businesses to move. No plan, Mr. Speaker, no concept about listening to the people and doing what's right for them.

(14:30)

Lack of vision, Mr. Speaker, I think has to be emphasized to the Minister of — so-called, I guess — the so-called Minister of Rural Revitalization and the current Minister of Highways. I think that person has to sit down with officials from both sides, or maybe sit down with herself, and have a discussion about a rational highway policy in this province before the money that has been made available simply disappears down the black hole of political necessity.

Mr. Speaker, I listened with intent to the Finance minister on Friday talk about the need to grow the number of civil servants, the number of people working for the Department of Highways. And I noticed that the Minister of Highways, in the Saturday edition of *The Leader-Post*, says that the Department of Highways will hire 90 workers to cope with extra construction.

Well, Mr. Speaker, if those 90 workers are there to replace the workers that this government previously removed, and are there to fix the potholes and maintain the roads and ensure that we have safe driving conditions, then we need to hear that from

that government. But I think, Mr. Speaker, those 90 workers are there to compete with the public sector and the private sector now, as far as road construction.

I have a number of road contractors in my constituency, Mr. Speaker, and I'm sure every one of the constituencies has a person who is involved in road construction.

I want to tell you about two contractors, Mr. Speaker. Frank Rioch and Son's Construction Ltd. in my hometown of Invermay has been very concerned in the last number of years by the fact that there just isn't enough work to keep their machines operating. They employ a number of people, they are good contractors, and there just hasn't been enough work. Merv Alberts Construction, out of a small community of Lintlaw, has a great number of earthmoving machines ready to go to work, Mr. Speaker.

So if this government is talking about extra contracts — and we applaud them for that — if they want to build some new road, improve some new road, if they're wanting to do that, put those tenders out there, Mr. Speaker. There are contractors ready to do the work. They don't have to hire new, departmental people — that's a given.

Mr. Speaker, let's take a look at again the Minister of Finance's numbers on highway and Highway budget. You know last year again, mid-term report, I recall the Minister of Finance in his press conference saying how proud he was of the fact that the estimated \$250 million being spent on highways for the last fiscal year was in fact being upped by 25 million.

And we heard the former minister of Highways tell us many a time over — I think he announced that \$25 million a couple of times but I'm not sure — and he says that for sure there was going to be an additional \$25 million worth of highway spending for last fiscal year. And we said great — 250 in the budget, 25 million additional spending — that's 275.

Then along came the mid-term financial report, windfall oil and gas revenues. And the Minister of Finance, Minister of Highways, said we will spend \$50 million a year for the next three years to improve highways — 150 million was put into the fund for each of the three years following.

Every person in this province knew that the minister had announced 25 million more for spending for last year, that was 275; an additional 50 million projected, that was going to be 325 million. That's the math, Mr. Speaker.

Well let's take a look. The budget says 311 million. So the expectations that this Finance minister and this government put into the minds of the people of Saskatchewan was a spending of 325 million. Only 311 million this year, Mr. Speaker. In fact there are going to be reductions in terms of some of the things that were already planned.

Mr. Speaker, let's take a look at rural revitalization. We see now that when the new Premier came up with this term during the leadership campaign, all it was was really a slogan. Even the Minister of Rural Revitalization seems to have trouble explaining what the new department — or should I say the new bureaucracy? — really is going to do.

What we do know from this budget is that it will employ eight people in downtown Regina at a cost of \$800,000. I'm sure the people of rural Saskatchewan are jumping for joy today knowing that they have those eight people in the bureaucracy here in Regina.

You know, Mr. Speaker, this type of forward-looking rational planning, rational planning, is needed throughout government based on the long-term needs of Saskatchewan. And that long term should simply not be based on surrender to current trends — trends that show our population falling and growing older.

But under this government the situation continues to worsen. During the last year Saskatchewan lost the net of over 6,600 people to other provinces. That's a situation, Mr. Speaker, that we can't be proud of. We can't be proud of the fact that we are continuing to lose. And Statistics Canada has reported that at current trends, Saskatchewan will be one of three provinces to lose population over the next 25 years.

You know, Mr. Speaker, in the recently released HSURC (Health Services Utilization and Research Commission) report that I'm sure my colleague, the critic for Health care, will talk about, in that report HSURC projected what the population will be for Saskatchewan, but they also looked at the various age categories and tried to project what group of people we will have in the various age groups.

You know, Mr. Speaker, the alarming thing — and I say alarming for everyone, including the government, including the opposition, including everybody in this province — is the fact that the age group 20 to 49, that group by the year 2015 will decline by almost 40,000 people. We will have 40,000 people less in the age category 20 to 49, and it's contained in the health report. That is something that is going to be very, very painful for this province, Mr. Speaker.

That group of 20 to 49. Let's look at who that is. That's people probably with families. That's people are probably in the latter part of their working careers who are maybe at the top end of salaries. Those are people that we need, that we need to grow this province. And we're going to be 40,000 people less than what we have today.

But you know, Mr. Speaker, that's only if you accept, if you accept the trends that this government is willing to accept. And we're not willing to accept those trends, Mr. Speaker. We want to see this province grow.

We've also heard about the government's own report that a number of schoolchildren in Saskatchewan . . . the number of schoolchildren in Saskatchewan is expected to decrease by 30,000 over the next eight years. Mr. Speaker, currently in the K to 12, in the K to 12 public sector, we have about 188,000 students. That number is going to decline by 30,000.

Well I think everybody who knows — if they listen to the statistic that the HSURC report has put forward — that we're going to see a loss of people in the age category 20 to 49, that's also the people that have families. And if those people are not here, you know what the numbers are going to do for the public school system, Mr. Speaker.

That has to turn around. We simply cannot be satisfied that in 8 or 10 years we're going to be down to 150, maybe 155,000 students in this province. That's just not acceptable.

We want to look at ways to attract and keep young people in this province. We need to mitigate those losses. But instead it appears that the current government believes that there is no hope for turning this around. They seem convinced that there is no way to attract more people to our province, so why even try?

We reject that bleak NDP vision for the future. We think Saskatchewan can be made stronger, both in the short term and the long term.

The long-term needs should include a desire to turn these trends around. We don't have to simply accept that our province is destined to have one million people or less. But in order to make that so, we have to put in place a long-term vision that will attract people and investors to this province, and where jobs and opportunities are created in place other than government.

You know, Mr. Speaker, I listened to the debate on the budget over the last 10 days. And I was surprised by the comments made in the *Hansard* edition on March 26, 2001, when the member for Regina South, the government member stood in this House, and he said the following, Mr. Speaker: Saskatchewan today draws the single lowest, the single lowest proportion of its revenue from income taxes of any province in Canada.

Mr. Speaker, this is an admission that we're happy with the fact that we have the lowest number of people actually working and paying income tax. Does the member realize what his words have meant? I don't think so, Mr. Speaker.

I think it's a time that we have to turn this around. We have to be wanting to move to the position where we have a great number of workers in this province paying income tax. I want people paying large income taxes amounts, those with high salaries to stay here, instead of to be located in Calgary.

We want those people to stay here and pay Saskatchewan tax, and these plans of this current government, this budget, will not do that, Mr. Speaker.

History is well-known. In 1941, Mr. Speaker, Saskatchewan was the third most populous province in Canada. That's pretty hard to imagine, ladies and gentlemen, when we take a look at the fact that '41, next to Quebec and Ontario, we had 7.7 per cent of the population. Saskatchewan passed the one million mark six decades ago, and has not managed to get much above that.

After reaching a high of 1.032 million people in 1987 it has remained pretty much stagnant in terms of overall numbers, but it is growing older, Mr. Speaker. All hon. members should know . . . or should know that if something bold is not done quickly to turn this situation around, providing services even at the current level will become unsustainable over the next few decades.

This is something that should concern everyone in this Chamber

who has children or grandchildren. As far as I can tell, the members opposite see no need to turn this situation around, preferring to concentrate instead on righting their own political ship. If we are to turn this situation around and make sure Saskatchewan remains strong in 2010 or 2020 and beyond, we have to begin attracting people back to this province. And also keeping the people that are already here, Mr. Speaker.

We don't have to accept a stagnant or falling population. It's a shame that the members opposite do seem to accept it as an unavoidable fate for this great province. And we hear nothing from this government on how they believe the best way to do that is. There is no vision, Mr. Speaker, no plan.

Mr. Speaker, the Saskatchewan Party has made it clear in our belief that you begin doing that by attracting investors to this province through competitive tax rates and an atmosphere where the private sector and business people are not made to feel like that public enemy number one.

On a positive note, Mr. Speaker, we have seen the small business income tax reduced by two points. But one gets the sense that if business expects anything more from the members opposite, veering very suddenly and very markedly to the left, they can forget it.

To put the small business income tax reduction into context for this member, let's take a look at really what does 8 per cent reduction down to 6 per cent mean on July 1 of 2001. Mr. Speaker, I think the minister's own numbers indicate that a percentage point on the small business tax is worth about \$16 million worth of revenue. One point: 16 million. So we see a reduction of two points on July 1 of 2001.

So what did this really mean for the government of this province? Well 8 million in total, Mr. Speaker, 8 million in total is all we're going to see in the way of a reduction.

Members know the Saskatchewan Party has proposed making Saskatchewan a small business tax-free zone. The Premier stood in the House today, Mr. Speaker, and said that, you know, businesses were excited about the fact that we were dropping from eight to six. And I'm sure they are. They're pleased to see some additional dollars that they can use to pay for the increases in SaskPower and SaskEnergy and probably property taxes.

But can you imagine if this province delivered a message, not only to the businesses here in this province but to other businesses in other parts of the world, and said Saskatchewan is a small business tax-free zone? Eight is going to be zero. Can you imagine what that message would have been?

(14:45)

I think, Mr. Speaker, it would have allowed the province to bridge that loss of about \$65 million on the entire elimination of the small-business tax. I think it would have showed people in this province and in this country that Saskatchewan wanted people to come here to not only set up their businesses, but to grow the population. And in opposition to what the member for Regina South was saying, we would actually have more income tax payers, Mr. Speaker — more.

Mr. Speaker, it's been said many times but it's worthy repeating — small business is the engine of job creation. We desperately need to grow the number of small businesses in this province. The two-point reduction in small-business income tax is a nice symbolic gesture, but it's going to take more than symbolic gesture if we are to prime the pump for job creation in Saskatchewan.

But do we really believe the government has any real interest in convincing more small businesses, more investors to set up in Saskatchewan. Their idea of good business environment is one where potential investors must know that they could end up competing with the Government of Saskatchewan at any time if the NDP takes a notion to get into a particular business.

Just talk to the people who are involved in cable TV delivery, into the security system, about how now suddenly those private businesses are competing with government businesses, government businesses who have tax dollars and they're using that dollar to compete with them.

Mr. Speaker, in studying the budget I was intrigued by the fact that a paragraph on page 54 talked about Crown corporation debt. I don't recall the Minister of Finance saying much about Crown corporation debt so I want to share a paragraph on page 54 of the document *Connecting to Future*, and I quote from that page, Mr. Speaker. It says:

Crown corporation debt is projected to rise from \$3.4 billion at March 31, 2000 to \$3.5 billion at March 31, 2001, and gradually rise to \$3.7 billion over the medium term.

No explanation, Mr. Speaker, as to where that money is going to be spent. Is it going to be put aside to compete with private businesses and create Crown corporations? Is it going to be spent in other countries to put SaskPower and SaskEnergy into the other countries of this world?

You know, Mr. Speaker, there's many people in my constituency who are still waiting for the rural underground power program to reconnect again. There are many farms and many communities that still do not have the power supply underground because the Crown corporations cancelled that project.

So here we see we have no clue as far as members in this legislature, both I think on the government's side and this side, as to what the Crowns are planning to do. Why are they going to increase their debt by almost a half a billion dollars from where it was last year to where it will be in a few years from now? Half a billion dollars, Mr. Speaker, that's not acceptable.

You know, last year the government and this province, Mr. Speaker, lost 13,000 jobs — the worst job creation record in this country. And the only plan this government has to create jobs is to hire nearly 600 more civil servants. That may make Barb Byers dance a jig in the hallways, but it does nothing for the long-term growth of Saskatchewan.

Government salaries will increase by a whopping \$50 million — \$50 million increase to government salaries. We have clearly entered once again into an era of big government — more civil servants, more interference in the economy by government, a

growing number of Crown corporations. What's next? Nationalization of the potash mines.

Mr. Speaker, what does that \$50 million in higher salaries for bureaucrats represent? Let's put it into a context, Mr. Speaker, put it into a perspective that I think many people can understand — \$50 million of additional salaries is the amount needed to raise the personal exemption for every person in this province by a thousand dollars. That thousand dollar exemption for both people in a two-person family, Mr. Speaker, would be about \$230 of tax savings.

Now let's take a look at \$230. That's not a lot of money, Mr. Speaker. But when we hear from people now talking about the SaskEnergy rate increases, the SaskPower rate increases, the projected 3 to 6 per cent of property tax increases, wouldn't that have been a small step forward. Not a huge amount of loss to this government. In fact they could have traded that \$50 million expenditure on additional bureaucrats to pass that money back to the people of Saskatchewan by increasing the exemption from 8,000 to 9,000. That would have been a good move, Mr. Speaker. But there is no vision on the side opposite.

Mr. Speaker, when we take a look at the assistance provided to people . . . and I recall the minister on Friday reading, and I took a look at last year's budget speech and I took a look at this year's budget speech, and he almost read word for word the numbers on the income tax exemptions. Talked about the fact that we were decoupling, that we were going to a percentage for three different classes. That was all announced last year. There was a seniors' exemption announced last year. All of the information provided to us on Friday about personal income tax reductions is a repeat of the year before. Nothing new.

So I've had calls over the weekend, Mr. Speaker, from seniors who say, well just a minute, I took a look at what the Minister of Finance said was going to be a tax reduction and I looked at my pay stub and . . . or my income stub for January, for February, for March, and I've compared it to the pay stubs from the previous year — there's no extra money in my pocket. So we're waiting for the Minister of Finance to indeed show us that there is a tax reduction.

Minister has said, be patient, at the end of the year, year to year, there will be a tax savings. Well people in this province are looking at that, and as my colleague has indicated, smoke and mirrors, Mr. Speaker. It's smoke and mirrors. There may not in fact be any income tax savings, and for sure there are no new income tax savings.

So we take a look at last year. Well there was a change. But also included with that income tax change, there was a PST (provincial sales tax) expansion. The provincial sales tax expanded to include used car sales and a number of things. Treasury has estimated that that's going to be approximately \$161 million of additional monies to this government.

So with the left hand, they passed out a savings. With the right hand, they took it away. No real savings for the people of this province.

Mr. Speaker, I had a call at my office this morning from people in my constituency who are very concerned. These are seniors

on a fixed income. They don't have additional money coming in from investments. They are relying on pension income and they're very concerned. They're very concerned that \$25 rebate from this government for increases to the SaskEnergy rate, to increases to the SaskPower rate will put them in a deficit situation.

While the government has a profit, sits on \$500 million in a slush fund, the people in Saskatchewan are now going to be operating on a deficit because of the policies of this government.

You know, and the other point, Mr. Speaker, is that people in this province know that the nearly 600-person increase in the civil service does not include a single nurse, single doctor, a teacher — doesn't include any of those because all of those professionals fall outside of the Public Service Commission. But the priority for the NDP in this budget was to grow government.

We not only do not see tax relief in this budget, we see the seed sown for tax increases all over this province.

Saskatchewan Party has made no secret of the fact that we believe taxes have to come down if we are to spur economic development. But every time we see the NDP announce lower taxes, the actual levies on people and businesses tend to go up. We have seen the government totally ignore calls from cities and towns in this province for a fairer share of the pie in terms of revenue-sharing grants. We have seen the government respond with not a single penny.

This will undoubtedly result in property tax increases. It was heard today in question period, Mr. Speaker. We hear from the mayors of many of the cities and towns in this province indicating that they probably will be increasing their mill rates between 3 and 6 per cent. Couple this increasing mill rates with the reassessment that for many businesses will be crippling and we see the end result is higher taxes and fewer jobs. But the people of Saskatchewan can take comfort in that there will be more civil servants to help the ministers push their pencils.

The last thing we need in this province is a tax increase of any kind. But the NDP has decided that last year's hike in the PST was not bad enough. This year the thing to do is to raise property taxes, which is essentially what they've done.

If they truly cared about this province they would see that increasing the tax burden on people in the name of increasing the size of government is the wrong thing to do. Property tax increases coupled with higher and higher utility rates will make our job creation record worse rather than better.

Mr. Speaker, the budget is a failure because it will end up with higher taxes and a less economic . . . and less competitive economic environment. Mr. Speaker, this budget will do little to turn around the long-term trends of Saskatchewan which show a declining population and fewer taxpayers to carry the burden.

Mr. Speaker, I was astounded by a number that was presented to me the other day. When we start to look at the taxpayers in this province — and we know we're at about a million people in total — and we start to look at those people that actually have

a net payment of tax after they've had the benefits taken off, and if we exclude the people working in not only the government but also the teachers, the nurses, and those kind of people that are dependent upon government grants, you know, Mr. Speaker, the amount of people that are actually paying income tax, net income tax, is just over 130,000 people in this province; 130,000 thousand people of a population of one million. If that trend continues, that downward trend continues, Mr. Speaker, in a number of years our children and our grandchildren will not be able to sustain the province that we live in.

You know, Mr. Speaker, there's so much in this budget that has to be revealed to the people of Saskatchewan. It has to be explained to better understand that the plans put forward by this government are lacking. There is no vision — that the numbers that they have put forward are a repeat of numbers that we've seen announced in the past; that the real numbers have to be explained.

And we need to look at areas of education, of post-secondary education, and the need to establish a vision that will ensure that the college of medicine remains in Saskatoon. We need to look at agriculture and all of those different departments.

But, Mr. Speaker, I know that the members on this side of the House and the various critics for those departments are anxious, Mr. Speaker, to get at those very topics.

So, Mr. Speaker, I will conclude my remarks, and I will move, seconded by the member for Swift Current, the following amendment to the main motion:

That all the words after Assembly be deleted and the following substituted therefor:

urges the provincial government to cancel its plans to expand the civil service by 570.5 positions and instead use the money saved to provide \$30 million to municipal governments to allow them to hold the line on property taxes.

I so move.

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

(15:00)

**Mr. Wall:** — Thank you, Mr. Speaker. It's a pleasure to rise to second this motion, to speak in favour of seconding this motion, on behalf of the member for Canora-Pelly, particularly because, Mr. Speaker, it's a constructive amendment. More than simply opposing a budget that many people in Saskatchewan are already agreeing deserves to be opposed on principle, it suggests an alternative.

And specifically, Mr. Speaker, it suggests an alternative for the Liberal members of the government opposite. Because certainly they are less hidebound to support a budget that is clearly wrong for the province, than members of the governing NDP.

Mr. Speaker, they have an opportunity now, especially considering that one of those Liberal partners in the coalition is

the Minister for Municipal Affairs, they have a unique opportunity to vote with the official opposition to vote in favour of the amendment proposed by the member for Canora-Pelly. They don't defeat the budget, Mr. Speaker, but they will make it better to be sure, Mr. Speaker.

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

**Mr. Wall:** — They have a unique opportunity to improve on one of the woefully inadequate portions of the budget, Mr. Speaker, and that portion deals with municipalities — that body, that third level of government in our province, that arguably affects economic development more than any other.

That was the area of economic development that I practised for some time, Mr. Speaker. And I can tell you that municipalities have a very clear impact on job creation and on job retention. And perhaps most important in that formula, in the formula of local economic development, is the level of local taxes that both residences pay and that businesses pay, Mr. Deputy Speaker.

The level of local taxes is absolutely crucial not only in terms of attracting new jobs to your community, Mr. Speaker, but in terms of retaining . . . Mr. Deputy Speaker, but in terms of retaining jobs that are there already.

And so this amendment affords the opportunity for the member from Melville who has a duty to his constituents as well as to the rest of the province, Mr. Deputy Speaker, it affords him the unique opportunity to vote for the amendment and improve the budget, not defeat it.

Mr. Deputy Speaker, when we look at issues like a provincial budget, we look at them from different perspectives I think as legislators. We look at them from a local perspective, from the perspective of our constituents, and we also look at them from a more provincial perspective, maybe from our critic duties or just generally its impact on the province of Saskatchewan.

Just very briefly as it relates to the local economy of Swift Current and surrounding area, I can tell you, Mr. Speaker, just to mention a few brief points from that perspective, I can tell you that it falls far short for the people of southwest Saskatchewan, this budget does. Now, more than ever, now more than ever, the people of Swift Current and the people of southwest Saskatchewan were looking for a long-term plan; they were looking for a long-term commitment to the reduction of personal taxes. They were looking for a long-term vision for job creation, a reason to stay, Mr. Deputy Speaker, in our province.

They won't find it in the budget. They won't find it in the budget that was presented this last Friday in these legislative chambers, Mr. Deputy Speaker, because there is nothing in the budget on tax relief, save for a very, very thin, a very, very thin reduction in the small-business tax in the province of Saskatchewan.

The other perspective from which they will look at this budget in my constituency and in the southwest is as it relates to health care. Mr. Deputy Speaker, health care is the number one issue that we field in our office, and they're going to look toward to this budget in terms of the impact that this new funding has in

Swift Current, because, to tell you the truth, Mr. Deputy Speaker, the past hasn't been all that great in Swift Current, in terms of new funding allocations from the province and them actually trickling down to places like Swift Current, far away from the province's capital.

But that will be the measure of this budget in Swift Current in terms of health care. How it impacts our hospital, our clear need for a new regional hospital in Swift Current, and how it intends and how it allocates resources to reopen long-term care beds and medical beds that have been closed by this government in the Swift Current constituency and across the southwest?

But, Mr. Deputy Speaker, in more general terms, I think when people look at any budget in any given year from a provincial government, or a federal government for that matter, they're going to look at it from the basis of both its impact on the year in question, in this case 2001-2002, but they will also look for a long-term plan — a medium and a long-term plan. At least some commentary in every budget about the government's plan for the future, about its plan for expanding the economy, or perhaps its plan for at least retaining the economic base we have now that funds health care, social services, and all the things that we prize here in the province of Saskatchewan.

But I think they look for long-term commentary in the budgets of new governments, and more specifically, Mr. Deputy Speaker, in a budget that comes from a new Premier. Arguably the government is the same tired old bunch that has sat to your right hand since 1991 but, by their own declaration, they put a new face on it. They have a new leader; there's a few Liberals interspersed amongst the benches across the way.

But, Mr. Deputy Speaker, I think people in Saskatchewan were looking to this budget . . . they were looking for clear signals in terms of the direction that this new Premier would go, that the member for Saskatoon Riversdale would take this government. And so in that context, they were looking for a long-term plan, perhaps even more than were they looking for just the short-term 2001-2002 budget.

And I could tell you, Mr. Deputy Speaker, I was surprised when I went home for the weekend, after all of the ballyhoo on the budget from the government on Friday, I was very surprised when I went home to my constituency this weekend, Mr. Deputy Speaker, and found that people back home simply weren't talking about it. They had almost completely ignored it. In fact, if I didn't raise the question with them, if I didn't say what did you think of the provincial budget that came down Friday, they absolutely had no comment.

They had heard — and frankly, Mr. Deputy Speaker, many of them didn't believe it — they had heard that the government had the gall in the budget Friday, when it needed to present a long-term plan for sustained tax reduction and job creation, when it needed to do that, it introduced a budget of a bigger government, of a 1970s-style government, of 570 new government bureaucrats. That was its answer for Swift Current and area. That was its long-term plan for the people of southwest Saskatchewan — a 1970s budget.

It's not hard, Mr. Deputy Speaker, to understand why there was that influence, why this tired old government turned to an

approach that has been rejected around the world in terms of government budgeting. And it's because of the people that have surrounded them in terms of their staff.

We know that the premier, through the 1970s, Mr. Allan Blakeney, is one of the most key advisors to this current Premier if you can believe it. The man who was premier in this province through most of the time that I was in elementary school and junior high and into high school, I guess, for some it, he is now the key advisor to the Government of Saskatchewan, to this Premier. And you don't have to look very hard to have been able to see his mark on this budget.

It is a budget for bigger government. It is a budget that basically presents to Saskatchewan people the tired, old, and rejected concept that government has the answer, when there are issues that we need to resolve in terms of our economy, you look to the government. That's what this budget says, Mr. Deputy Speaker.

We on this side of the House, hold strongly to the view that when there is difficulties facing any jurisdiction, when there are difficulties facing our economy, Mr. Deputy Speaker, you don't look to government for results. You look to the people of the province. You look to our small-business sector and you get out of the way. You do everything you can by lowering taxes and ensuring that labour legislation in our province is friendly. You do everything you can to lower red tape and you get out of people's way.

They don't understand that across the way, Mr. Deputy Speaker, they never have, and the budget clearly indicates that they do not today.

As my colleague, the member for Canora-Pelly, has indicated, the other thing that people will know when they look at this budget is that it does is completely lack a vision. There is nothing in there that speaks of the year 2011, 2012 — 10 years down the road. There is nothing in there that would give any of us hope to believe that there is a long-term vision presented in the budget on Friday.

There is no specific long-term and proven commitments in terms of job creation in our province. There's absolutely nothing in the budget on that. What we know, Mr. Deputy Speaker, is that in jurisdictions around the world, those who have in earnest have tried to create jobs by lowering taxes on a sustained basis and taxes of all description, Mr. Deputy Speaker, those are the jurisdictions that have had success.

And that's why we look to this budget for more of that. We look to this budget for that sort of direction, and it's not there. In fact the record belies what members opposite are now shouting from their seat — that we have in fact lost 13,200 jobs in the last year. Those are Statistics Canada's numbers, Mr. Deputy Speaker.

And isn't it amazing — the member for Saskatoon Nutana should take particular note of this — that every other jurisdiction in Canada, Newfoundland included, in that same period created jobs, Mr. Deputy Speaker; including Manitoba, they've created 7,000; Alberta created 42,000.

And what happened here in the province of Saskatchewan? What happened here? We lost 13,200 jobs under the direction provided by those captains of industry across the way, Mr. Deputy Speaker. That is the record of this government.

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

**Mr. Wall:** — I noted in the budget feedback though, Mr. Deputy Speaker, that there was one unqualified voice of support for the government. And even the ones that were being quoted today by the Premier and by the Minister of Finance, third parties who were commenting on the budget, you notice they all sort of qualified their response to the budget.

And it's interesting that that's all the government could find today in question period; those qualified quotes from third parties in the province, were all that they could point to as the success of their budget. Quotes like, well it's better than a kick in the head. Obviously I'm sort of summarizing them. But basically . . . (inaudible interjection) . . . and paraphrasing them. Thank you.

But basically that's what they were, Mr. Deputy Speaker, except for one. There was one, there was one unqualified supporter of the budget, and I hope I have his name correct, but I believe it was Doug Blanc who is president of the SGEU (Saskatchewan Government and General Employees' Union), Mr. Deputy Speaker.

He is the only voice of unqualified support for this government and it's not hard to see why. He just got 570 new members at a cost of 50 million taxpayer dollars, Mr. Deputy Speaker. That's why he's happy. He got more union dues which he will in turn be able to pay to the parties of his choice, Mr. Deputy Speaker — that's what he got from the budget. And I'm not sure what party that is, but he'll be able to make that choice.

He is the only voice of unqualified support for this government's budget, is the president of the SGEU. That is the fact; that is a matter of record after Friday's budget.

But, Mr. Deputy Speaker, I think it's important as we look at the budget, in light of the amendment that's been put forward by the member for Canora-Pelly, he specifically is talking about property taxes. And of course property taxes are an issue whether you live in urban or rural Saskatchewan. They're an issue across the province.

But clearly, as was pointed out by many of the cities in the lead up to the budget, property taxes are a huge issue in the cities of our province. And, Mr. Deputy Speaker, a number of the cities made that case in the lead up to the budget, including the city of Regina who I believe met with the government caucus, who also invited us to meet with them. I think they demonstrated a very, very, very positive and heartfelt commitment on behalf of their taxpayers in their approach to both the government and the opposition parties.

And I can tell you that it was the week preceding Monday, February 5, where they were meeting with different government officials and as well as members of the official opposition. And I am quoting from the city of Regina press release dated Monday, February 5. It's an executive summary of a press

missive entitled "City Council Meets with MLAs to Seek Help From Province". That's what it was titled. And I'll just read one very quick quote over there that puts everything that we're going to be talking about later this day in the context that we need to look at it in.

The Province, over the last ten years, has slashed our funding (ours being the city of Regina) by 70 per cent, from \$18 million to just \$5.4 million.

That's what the mayor of the city of Regina said in an executive summary dated February 5.

(15:15)

And it formed the basis of the case that he made passionately — and very reasonably and rationally, I might add — to the Government of Saskatchewan and to the members of the government caucus from the city of Regina. They made a very strong case and then they offered a solution, and that solution was an increase in funding of \$20 million. They felt that perhaps, even though it wasn't anywhere near the money that has been taken almost exclusively just from the city of Regina, Mr. Deputy Speaker, even though it's not even near what they have taken from municipalities across the province, they ask for that reasonable number — and again I ask for the members for Regina to pay attention — they ask for that very reasonable number of \$20 million as a way to hold the line on property taxes, to ensure that they could hold the line on property taxes here in the province of Saskatchewan.

Well, Mr. Deputy Speaker, we all know what happened on Friday. We all know exactly what the cities of this province got on Friday. They got absolutely nothing for their efforts, for their rational and well-thought-out presentation, for their meeting with their own MLAs whose job it is to represent them in the caucus and in the cabinet opposite. Mr. Deputy Speaker, they got absolutely nothing.

And so the title on their press release, the title on their press release changed as of today, Mr. Deputy Speaker. Today it says mayor's office offers news release: "Municipalities (got) Shut Out By (the) Province." That's what the headlines say today, Mr. Deputy Speaker.

And if you look across the province, the same is true, the same frustration is there for many other centres. I know in my own city of Swift Current, in the last decade they have watched the revenue sharing drop from \$1.3 million annually to \$688,000 annually.

But you know what, Mr. Deputy Speaker, they'll be able to go ahead with their budget planning as usual because instead of betting that the government would listen to cities in this budget, they were betting that the government would ignore them. They bet that the government would ignore them and so they were going ahead and planning for absolutely nothing from this government. And it proved to be prudent planning because once again that's exactly what they got, Mr. Deputy Speaker. That's exactly what they got. And that's progress.

Mr. Deputy Speaker, SUMA, which of course represents many urban governments across this province, they also had some

words to say to this provincial government and this budget.

And here's a different issue. I'll be getting back to the tax issue in a moment here, based on what SUMA had to say, but here's what SUMA had to say about another promise that this government made. And the Minister of Justice will be interested in what SUMA had to say:

The province is also taking only a small step forward to provide the additional 200 police officers promised to communities during the last provincial election.

And I recollect that promise and who made it, Mr. Deputy Speaker. It was made by the former premier of this province to a convention of police officers gathered here in Regina, and there was a lot of ballyhoo and there was a lot of hype around that promise. And no doubt, no doubt, police officers in this province may indeed have decided to support a government that would make that commitment, that solemn commitment to them at their convention.

Where is the commitment today, Mr. Deputy Speaker? Halfway, halfway into this government's mandate where it's promised to create 200 jobs, SUMA points out that:

Only 20 new positions are being funded . . .

And I'm quoting, Mr. Deputy Speaker:

Only 20 new positions are being funded this year, in addition to the 25 added last year. This leaves us less than one quarter of the way to the target despite being half way through the four-year . . . (term of the government).

Basically SUMA is questioning, and so are we and so are the people of Saskatchewan, whether this government has broken another promise.

And I would suggest, Mr. Deputy Speaker, to allay that concern that the Minister of Justice at his earlier opportunity stand either in the legislature or gather the media together and make the commitment, make the commitment, reaffirm the former premier's commitment that there will be 200 new police officers for municipalities in our province before the next two years are up. I would recommend that the Minister of Justice do that. I do that through you, Mr. Deputy Speaker.

On the issue of taxes, SUMA had something to say as well. And I'm quoting from their president, Mr. Badham, now:

"We have given the Provincial Government fair warning about what will happen if there is no commitment to re-instate our transfer payments . . . Urban governments are looking at property tax increases (Mr. Deputy Speaker) that could average between three and six per cent this year, combined with cuts in local services like street (repairs and) repaving."

And the quote continues:

"We shared the pain of eliminating Provincial deficits, and that pain will continue after this Budget . . . We have been left on the waiting list, and this continues to put our

economic development at risk.”

Mr. Deputy Speaker, that’s what the urban municipalities of the province of Saskatchewan have to say, and what’s alarming about that is that this group, SUMA, represents the third level of government that controls so much of the taxation in our province. And they are left to no recourse but to increase taxes.

I understand the city of Saskatoon announced today they’re looking at a 3 per cent plus tax increase for property owners in that community. I understand that confirmation has come as of today, Mr. Deputy Speaker.

So for the government to claim that there are no tax increases in this budget is frankly misleading. There is clearly tax increases in this budget. We heard about the first one in Saskatoon.

We’re going to hear more as the full impact of this budget is felt at city halls across this province, Mr. Deputy Speaker. They were let down again by the government and now they have nowhere to turn but to the beleaguered taxpayer of the province of Saskatchewan, those ones that have chosen to stick it out so far here, Mr. Deputy Speaker.

Mr. Deputy Speaker, on the day of the budget, there were six major centres here, represented in these chambers — the mayor of Regina, the mayor of Saskatoon, the mayor of Estevan, the mayor of Weyburn, the mayor of North Battleford, and the mayor of Yorkton. And they issued an immediate statement: “Municipalities Shut Out By (the) Province” was their immediate statement.

And they began their statement, and I quote, Mr. Deputy Speaker:

Today, six mayors of major Saskatchewan cities angrily denounced the Calvert coalition government’s budget.

Angrily denounced. You know, the Minister of Municipal Affairs and the Liberal coalition member of this government generally has to go to a Liberal convention to be angrily denounced, Mr. Deputy Speaker.

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

**Mr. Wall:** — But the mayors of our province were prepared to do it here and outside the Chamber, and they did it in reaction to a budget that lets cities down and that lets the property taxpayers in those cities down.

Just very briefly to read from this statement from the mayors of those six centres:

The Province (and I’m quoting, Mr. Deputy Speaker) the Province misrepresented funding to municipalities in the budget briefing by saying they put new money into the Canada-Saskatchewan Infrastructure Program. The increase actually represents new federal money for infrastructure.

So even in those elements, even in those elements where the government was touting itself by demonstrating that it increased spending in this area, it was taking credit again — it did it in the Throne Speech; it didn’t learn its lesson so the government was

doing it again in the budget — taking credit for a federal initiative. And that is just sad, Mr. Deputy Speaker.

A budget with the chance to demonstrate to the people of the province of Saskatchewan that there is a vision for our long-term future instead takes credit for a federal program. That’s pitiful, Mr. Deputy Speaker, is what that is, and the six major centres recognized that.

Interestingly, interestingly, Mr. Deputy Speaker, the cities went on. They said:

In addition the Grants in Lieu of taxes from the Province will be based on last year’s tax assessment and tax rates. In other words, (and I’m quoting still) the Province will provide funding based on 2000 rates while Saskatchewan residents will be required to pay this year’s reassessment and a possible increase in mill rates.

So they retroactively basically carved themselves in at the lower rate of this year so they don’t have to go through the mill rate increase that they themselves knew would result from their budget.

It’s clear the Province is saying (and I’m quoting again) it’s clear the Province is saying the property tax system is unfair and they provided . . . themselves a one-year tax break in paying the new rates.

It sounds all too familiar, Mr. Deputy Speaker. It sounds like their approach to Crowns. When Crowns need a rate hike to ensure that they remain actuarially sound, they’ve got no problem in asking for rate hikes. We hear there’s one coming at 40 per cent for SaskEnergy.

But where do the people of Saskatchewan turn when their government continually knocks on their door for more money? They have nowhere to download it to. They have absolutely nowhere to go. That’s what this government fails to realize in documents like this budget.

Mr. Deputy Speaker, the cities have been clear on this budget, and municipalities have across the province as well. I heard the president of SARM (Saskatchewan Association of Rural Municipalities) issue very real concerns about this budget because it does represent downloading. The fact that municipalities are frozen out again by this government — again — represents or is an indication that they have been frozen out, and is a further indication that we can look forward to local tax increases in the coming years, Mr. Deputy Speaker.

And my encouragement to ratepayers and to citizens across this province is that instead of phoning when the mill rate hikes are announced — like apparently they were today in Saskatoon — I encourage them not to contact their local city councillor because I believe those city councillors and those reeves and those rural councillors are doing all that they can do with what they have.

I encourage them to phone the member for Regina Wascana Plains, Mr. Deputy Speaker; to phone the Minister of Health, Mr. Deputy Speaker. I hope they phone the Minister of Finance and the Minister of Highways. I hope they phone every

government member, Mr. Deputy Speaker, NDP or Liberal, when they look at their local tax bill going up. Because that's where the fault lies, Mr. Deputy Speaker. That's where the fault lies.

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

**Mr. Wall:** — You know, Mr. Deputy Speaker, I just want to conclude with what I feel are some pretty good summary comments that came courtesy of the editorial board of the Saskatoon *StarPhoenix*.

And of course we all don't agree with editorial boards — all the parties in this Legislative Assembly have been taken to task by them — but every once in a while they get it right. And I think this was an example over the weekend, Mr. Deputy Speaker, of an editorial board getting it right on a budget.

Mr. Deputy Speaker, just very quickly, to quote from the editorial. It says, I'm quoting this, Mr. Deputy Speaker:

... Cline projects that Saskatchewan's economy will continue to grow over the next 12 months, albeit at 2.2 per cent, down from 3.4 per cent last year. Meanwhile, he pegs oil prices to remain relatively stable at \$25.50 US (a barrel) this year and \$23 in 2002, along with commodity prices for potash, wheat, barley and canola. Only natural gas is expected to decline significantly.

Yet, despite it all (and I'm still reading), here's the message Cline gets out: "The 2001-02 budget will once again be balanced despite a projected revenue decrease of about \$750 million from 2000-01."

Consider that the tax take over the next year, after the reforms, are projected at ... (3.1) billion, down just slightly from ... (3.2) billion in 2000-01. Meanwhile, resource revenues actually are projected to hit (Mr. Deputy Speaker) \$877 million this year, up considerably from the ... (700) million last year.

And yet when municipalities ask for a very reasonable \$20 million to hold the line on municipal taxes, they were told there were not enough resources. Apparently there's enough to hire 570 new bureaucrats at \$50 million salary increase to the government. Apparently there's enough money for that.

Apparently there's going to be more resource revenue to the government this year — over a hundred million dollars by the minister's own numbers — but there's not enough to give municipalities \$20 million, \$20 million, so that they can hold the line on taxes so that municipalities will have a chance to do what this government can't — to retain its business and maybe to attract new ones.

And so for those reasons, Mr. Deputy Speaker, I take a great pleasure in being able to tell you that I will be supporting the amendment put forward by the member for Canora-Pelly.

Thank you, Mr. Deputy Speaker.

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

**Hon. Ms. Crofford:** — Thank you, Mr. Deputy Speaker. And I am pleased today to speak to the most excellent budget presented by our most excellent Minister of Finance. And you know why, Mr. Deputy Speaker? It's because again we're seeing a balanced approach.

We have solid finances, solid public services, and solid economic growth in this province. Building on the base of eight consecutive balanced budgets, we are now embarking on a course of connecting to the future, Mr. Deputy Speaker, in education, transportation, and technology.

(15:30)

I just want to highlight these kind of three key areas and then I'll get into more detail.

In Education, the spending is now at 1.1 billion — a 9.9 per cent increase; a 16 per cent increase to the operating grant — and this is the largest expenditure on education in the history of this province.

Now if the opposition wants to say that's not important, they obviously haven't understood the role that education plays in creating productive, skilled citizens who are able to be involved in the economic development and the future of the province.

And I would have to say that with the new addition of 42 community schools we have doubled the number of community schools twice in the history of this government. And the fact of the matter is the families that are helped and the kids that are helped in the community schools are the kids that we most need to get into the workforce because otherwise they risk a rather bleak future. And I see this as being directly connected, Mr. Deputy Speaker, to the economic well-being of the province.

I'd like to throw a little factoid in. I don't know if you know this, because you're kind of a young guy, but in 1993 this government was spending more money in interest on the debt than it was on education. Now I'm sure you would never let your credit cards get out of control like that, Mr. Deputy Speaker. You're probably a little more disciplined. But the fact of the matter is, if you were spending more on debt than you were on your kids' education, you'd have to think hard about what your priorities were.

And I'm happy to report that the education budget this year, we now have doubled the spending on education than we spend on interest on the debt. So we've got our priorities straight, Mr. Deputy Speaker. And I would have to add, just to support the Minister of Finance, that that's progress, Mr. Deputy Speaker.

As well we have a 25 per cent increase in highway spending. I know that this probably brought cheers into the opposition caucus office when they heard this, because this has certainly been something that they've thought was important. And you can see the importance that we placed on it by the amount that we dedicated to that purpose.

In technology: 70 million over the next six years to ensure that every community, every business, every household, every municipality, every health provider, every education institution, and all government services will have access to the same

broadband, high-speed Internet services. Because it's not enough for us, Mr. Deputy Speaker, to have these services for the government. We believe that these are services that the entire community should benefit from so we're going to ensure that these broadband Internet services are there.

And you know, the members opposite are a little bit critical about that, but do you know that we have the highest penetration of personal computers on the rural areas in this province of even urban or all other areas. Over 71 per cent of rural households have personal computers.

Now at the moment, for those who aren't connected to the Internet, they use those primarily for farm management, for asset management, those kinds of things. But the fact of the matter is, Mr. Deputy Speaker, that the agriculture and the rural community is well positioned to take advantage of all the business opportunities, technical information, and communications exchange that can take place in this new environment.

And I would have to say that this budget saw an increase of 35 per cent in the agricultural file. That's why we haven't heard too much from the members opposite about agriculture. They seem to have all of a sudden forgotten that that is something that matters to them.

As well, in health we saw an 11 per cent increase.

So, Mr. Deputy Speaker, these are the largest increases in education, highways, technology, agriculture, and health that this province has ever seen.

Now the members opposite can quibble about whether those are the right priorities, and they've been doing a bit of quibbling today. But I want to just give you a few more details so that we can think carefully about whether these are the right priorities.

I noticed in question period today that this good news is infectious despite all their attempts to be negative and grumpy. The opposition were seen to be smiling on several occasions. So I think they actually enjoyed this budget a little more than they'll admit due to their ideology.

But I want to just go over a recent exchange that took place between the Finance minister and the MLA from Redberry in the March 28 issue of *The Riverbend Review* in Hafford. And the headline says, "Sask Party financial analysis skewed." That's actually kind of a polite statement really, Mr. Deputy Speaker. But it mentions the MLA for Redberry insisting that Saskatchewan's debt is increasing.

Well, Mr. Deputy Speaker, I guess you could take that as a possibility if it weren't for that the Provincial Auditor, every major bond rating agency in North America, every major bank and financial institution in Canada, disagree with him.

Now that takes a lot of courage to be right in the face of people like provincial auditors, bond rating agencies, major banks and financial institutions. And I admire the member opposite for his courage in standing up and saying that all of these other people are wrong. But that doesn't make him right, Mr. Deputy Speaker.

The 2000 budget delivered a four-year plan to promote growth and opportunity in our province through a competitive tax structure. Now this isn't some fly-by-night plan of instant riches. It's a realistic four-year plan.

And what happens when we put forward a plan, Mr. Deputy Speaker? Well they say that, well you already announced that last year. Well that's what happens when you put forward a plan. You announce several years at once. And I'm not sure quite how you put forward a plan and don't put forward a plan at the same time. So I know that the opposition is still trying to get their head around how you have a plan and not a plan at the same time, but I'm sure they'll figure something out.

The reduction in annual income tax will be estimated to be 42 million by 2003. Now we do know that Saskatchewan residents pay less tax in 2001 than in 2000, and they'll pay less again in 2002, and less again in 2003. That's what a plan is, Mr. Deputy Speaker. It comes down year, after year, after year, after year. And that may not be exciting, but that is a plan, and it is happening.

And what I find particularly surprising is the Personal Income Tax Review Committee, when they issued their report in 1999, it was endorsed by the opposition Finance critic. And the fact of the matter is, he says here, these are exactly the same cuts as we have recommended. And now that we are doing these cuts that were recommended, we now have the MLA from Redberry saying that he's opposed to these cuts. So which is it, Mr. Speaker, we have on the one hand that they endorse the report and the cuts that were made, and now all of a sudden they're against them. I guess what one believes in 1999 has a short shelf life.

It's important to note also, Mr. Deputy Speaker, that the final budget of the Devine government in 1991 harmonized our sales tax with the federal goods and service tax. Now one of the first things our government did was to remove this harmonization. We now have the narrowest tax base of any province with a tax base, which is only one that doesn't in Canada, they have health care premiums and stuff, so we'll just save that discussion for another day. But we have the Leader of the Opposition saying he won't rule out restoring harmonization. He says he'll make it revenue neutral.

Well the trick is to harmonize it and do it in a revenue neutral way he says. Well you tell me how you're any further ahead with that kind of a plan. The plan we have now protects poor people. That's the reason for doing it the way we do it is you can be targeted, you can be selective, you can protect poor people, you can be sure that essential items aren't taxed. But no, they want to harmonize so that poor people pay the same tax as rich people.

And you tell me, Mr. Deputy Speaker, how that constitutes an improvement. I don't see it. Maybe we can spend some time with the opposition later and they could explain to me how this is . . .

**The Deputy Speaker:** — Order. I'd like to remind the hon. member not to draw the Chair for the debate, please.

**Hon. Ms. Crofford:** — Thank you, Mr. Deputy Speaker.

Speaking through the Speaker is different than speaking to the Speaker.

I again come back to asking the opposition: are you any further ahead under that kind of a harmonization plan?

The fact of the matter is, under our plan, income tax rates have come down four times in seven years and they're going to come down again in 2002 and 2003. The sales tax rate has come down in two of the last four budgets. The fact is that at six per cent Saskatchewan's rate is now the lowest of the nine provinces with a sales tax.

So the MLA from Redberry can quibble about this but, while he's busy quibbling, we'll continue to work with Saskatchewan people to implement a continuous plan of tax reduction that benefits the citizens of this province.

Now I just want to talk for a moment with their deep concern over the growth in public sector jobs. You know, probably one of the things that concerns me about the opposition is the continuous negativity about the public service. They speak in derogatory terms of bureaucrats.

And as a minister of the Crown since 1995, I would have to say to the opposition that I've met and worked with many public servants. And time and again I've met hard-working people who care deeply about this province and its services. But also hard-working people who do a considerable amount of overtime in making sure that they do everything they can to fulfill their job responsibilities. And of course, the people that I meet tend to be at the management level so they aren't entitled to overtime, Mr. Deputy Speaker.

But I want to highlight where these workers are and how I believe it will benefit the productivity, economic growth, and job creation in this province. And I'm just going to highlight a few.

I want to ask the members opposite whether they're against having more people engaged in forest firefighting. I guess their policy is let it burn. We don't need to worry about forest fires.

One of the other areas is increased security in correction services. Well I don't think it would be fair to ask our workers to put themselves at risk without adequate staffing in those facilities.

When it comes to the care of children, I would ask the opposition whether they think supporting a family-based model of child care is worth having some additional staff to give the supports to those families.

See, it's my belief, Mr. Deputy Speaker, that by supporting families, children have a better chance of success, have less chance of being on welfare, less chance of committing crimes, and a better chance of entering the workforce. Now if that runs against the members opposite, then I guess we'll have that discussion as we go through this budget debate. But I think that's a very good and thoughtful expenditure of money.

Now monitoring the safety compliance on drinking water, Mr. Deputy Speaker. We've all heard the problems they had in

Ontario, and we certainly want to make sure that doesn't happen here, but we did as well see the impact that privatization had on the security of water in Ontario. And I think that's a very good expenditure in this budget.

And then we come into items like expanding community and Aboriginal involvement in school programs to enhance the learning opportunities for children. Well again I could see why the opposition would be opposed to that. It's part of their ideology, I guess, to be opposed to people having an opportunity to have a better life. But we believe it's part of the Saskatchewan way that people should, each and every one, should have an opportunity and should get a chance to do the things they want to do.

We have other areas of staffing that have to do with adaptation initiatives for farm families, with agricultural research, with helping immigrant people adapt to actually getting to work when they get to Canada and bonding very quickly with the workforce.

We've got some resources going to reclaiming inactive oil wells. If my memory serves me right, Mr. Deputy Speaker, this legislation was put in by the previous government and we just keep making some progress on this one.

Equitable Internet access to all schools. I think that schools in the North, schools in rural Saskatchewan would consider this to be important. I stand to be corrected if that isn't the case, Mr. Deputy Speaker, but the opposition certainly has the ability to counter that argument.

The mining industry, in my understanding, is very happy about the new staffing in the area of subsurface geological research and mapping because they can't make their investments unless they have the information and data that they require to make those investments. In fact, they are so pleased that the department is getting the staff . . . (inaudible) . . . to provide them with the information they need to do exploration in Saskatchewan.

We've got some staff going to the new life-sciences gallery at the Royal Saskatchewan Museum. Well I suppose the members opposite are opposed to tourism. But I have to say that we think that tourism is a very important part of development in Saskatchewan.

(15:45)

And so I could go on and on, as you probably noted, Mr. Deputy Speaker, but the point I make, that these jobs in the public service are either related to preparing people for work, to helping them get to work, or to creating direct growth in the economy. And I'm certainly happy to debate the members opposite about this.

As well, the opposition talks about a slush fund. Well, this . . . you could pretend that it's a black and white issue but I think even the members opposite would accept that the Saskatchewan economy is still impacted by the cyclical nature of a resource economy. And the fact of the matter is, is that agriculture as well comes into that envelope with a bit of an unpredictable, cyclical situation but also impacted by international markets.

And I think I mentioned before in the Throne Speech why this has such an effect on Saskatchewan.

In other provinces, 3.5 to 4 per cent of their workforce is in agriculture. In Saskatchewan, it's 10 per cent. Now I don't care how clever you think you are, you cannot overcome, like that, the impact of having 10 per cent of your workforce involved in part of the economy that's suffering under international trade situation.

So obviously it affects the economy, and you can work on diversification and whatnot but you can't change that overnight, particularly when part of your money is tied up in support and subsidy when perhaps it should be tied up in diversification. And certainly, the members opposite can stake out some ground there and let us know what they think about that. But the fact of the matter is it's not possible to have your money in two places at once. And we have heard very little from them about what they would practically and actually do about any of this.

The member from Canora-Pelly talks about priming the pump. Well, if you look throughout the history of Canada and the US (United States), the pump was frequently primed by large public investments. I think any historian would tell you that that was the case. When the marketplace couldn't deliver or wouldn't deliver, it was often the private . . . or the public sector that stepped in to get this done. And I believe the opposition knows this, Mr. Speaker.

But for the opposition, a tax cut is a cure-all. If the member from Canora-Pelly was a doctor, he would prescribe a tax cut for the common cold. However, most people still use the health system.

Mr. Speaker, let's consider for a moment the impact that a hundred million has if delivered directly into people's pockets. If we use the \$10 million rebate, which as we know amounted to \$25 each for people, it made \$10 million go not very far. So if we were to spend a hundred million in the same way and direct it back to individuals, it would be \$250 in each pocket. Mr. Speaker, I ask the member opposite if this is the best use of \$100 million instead of highways, instead of education, instead of agriculture, and instead of health care. I don't think that's very wise thinking. Instead, Mr. Deputy Speaker, I go for a four-year plan that's balanced, that's responsible, that's sustainable, not this . . . you know, I've had a little experience with priming the pump.

My grandpa ran a market garden and we used to have to get the water for the market garden from the Moose Jaw Creek. And if you just sloshed the water over the pump, it doesn't work very well. It just leaks out all over the edges and gets the ground wet, but nothing really happens. But if you're very careful how you prime that pump, just like that, the pump's clicking away, and water's pouring over the garden.

And so I just say, Mr. Speaker, that that's the way this government chooses to prime the pump, carefully, and trying to get all the water in the right spot instead of just sloshing it over the pump and hoping that something hits.

I could explain a little more about pump-priming but . . . I'm going to make just a bit of an effort here. I know that my efforts

may fall on deaf ears but I'm going to make a bit of an effort to explain the plan for economic growth.

Now, as you know, for small business, I would certainly agree the engine of growth in this province, that reducing the small-business corporate income tax rate from 8 per cent to 6 per cent effective July, 2001, well, that's a darn good start on top of decreases we've done in the past for small business. But raising the taxable rate from 200,000 to 300,000 has got to be good news for many small businesses in this province.

Not to mention . . . I don't know about yourself, Mr. Deputy Speaker, but for a while I was afraid to go to the dentist because certainly professionals in this province wanted the attempt to . . . I will try to keep you out of the debate, Mr. Deputy Speaker. Professionals in this province wanted the right to incorporate. And as of this budget we have extended the right to incorporate to all regulated professionals in Saskatchewan which will again enable them to operate in a business-like way, and receive the benefits flowing from that.

In the non-renewable resource area, a 10 per cent tax credit for individuals on their purchase of flow-through shares of eligible mineral exploration, retroactive to October 18, 2000.

Incentives for enhanced oil recovery projects using CO<sub>2</sub>, effective midnight, budget night.

A new capital incentive to promote more efficient production technologies in sodium sulphate, effective April 1, 2001.

In the provincial tax reform, double the education tax credit amount to 400 per month for full-time study and 120 per month of part-time study.

Increased to disability in caregiver tax credits.

Increase for seniors from 500 to 750 for their tax credit.

The child tax credit from 1,500 to 2,000. If people have more than one, Speaker, I urge the opposition to tell me why that's a bad thing to have your child tax credit go from 1,500 to 2,000.

And effective January 1, 2002, reduction in the provincial income tax rates to 11.25 on the first 30,000 of taxable income; 13.25 on the next 30,000; and 15.5 on taxable income over 60,000.

Now I go back, Mr. Deputy Speaker, to the fact that these were the very changes that the members opposite supported when this report came out. This is still the same report; this is still the same plan; the only difference is that we're moving consistently ahead on the plan.

And as well, no doubt the opposition would be supportive of the provincial tax credit for donors to qualifying political parties.

And elimination of the provincial sales tax on the real estate commissions for new homes.

And I know that these things are all very popular in the business community.

Now I could certainly go on here on all the things in this budget that support economic development. And I would have to say that wherever the spending isn't directly in economic development areas, it is directly in areas that support people becoming self-sufficient, skilled, and moving into being productive members of the economy.

I just want to mention quickly the capital funding because there are many areas where capital funding has dramatically increased, for a total of 359 and a half billion . . . million over top of what was already there . . . (inaudible interjection) . . . I wish it was a billion but it's a million, Mr. Deputy Speaker.

We have announcements like new medical equipment for health districts — everything from new diagnostic imaging equipment, including ultrasound, X-ray units, CT (computerized axial tomography) scanners. Seven hundred and fifty new beds in health care facilities, 2.44 million in medical surgical equipment, including anesthesia machines and surgical lasers. Almost a million dollars here for patient lifts to benefit the clients and address safety issues. The cancer centre will get 1.85 million for equipment needs in Saskatoon and Regina.

Moving to state-of-the-art equipment as quickly as we're able. And I will hope that the federal government continues to be involved in these kind of programs because they're certainly very helpful.

But I just want to talk a little bit about the municipal funding issue. You know, in this budget, Mr. Deputy Speaker, in total, 19.5 million went to municipalities in new dollars. Now that went in areas like Centenary Fund and street lights and grants in lieu and a range of other areas.

And I did see my mayor, Mr. Fiacco, in the lobby on budget day and I said to him surely Pat, as a mayor, economic development has to matter to you almost as much as this issue that you wanted to see dealt with in this budget. And surely, highway spending, broadband Internet services, community schools, the small business tax, the personal income tax, surely these things all go towards creating the kind of business climate that makes it more likely for Regina to be a successful community.

And I do recall, that when the trustees and the municipal representatives came together in January and met with the Minister of Finance, that education tax on the property base was one of their priorities. And although all of the additional funding, 615 million in the K to 12, may not actually reduce the tax on the property base, it'll certainly give them a lot of room to not have to increase it to meet needs in the schools. And we know that there's a lot of needs, that teachers have a lot of responsibilities today and there's a lot of needs in the schools. So hopefully they will see this as responding directly to the issues that they raised with the Minister of Finance when they came here earlier.

Now the other thing I might just mention, is this investment in community schools and post-secondary education. Certainly, one of the biggest issues for municipalities is policing and a lot of the money they have to spend on community programs to deal with difficulties in the community. And surely, the kind of investments we're making in community schools and in

high-risk families and whatnot will go to reducing the bottom line in municipalities in some of the areas where they now have to spend money.

I just quote from the Chief of the Federation of Saskatchewan Indian Nations saying that:

The provincial initiatives in urban areas are a good first step.

And he talks about the \$609,000 being dedicated to the Aboriginal apprenticeship program, expansion of forestry training and access to nursing training for Aboriginal people in the North. He says that between 50 and 60,000 First Nation individuals live in the cities, and that's not including the numbers of Metis people. But this is the important part, Mr. Deputy Speaker. He says, when the conditions for First Nations people improve, everybody wins. And I think that's an important thing to remember. That helps economic development, it helps productivity.

And if you remember from the Speech from the Throne, the opposition will surely remember that the Minister of Finance pointed out that we have reduced the social service numbers steadily over the last several years and as well have seen a steady reduction in child poverty. So these things are obviously working and it's important that we stick to the plan, Mr. Deputy Speaker.

Now, I want to just talk a little bit about the response of the media to the budget. Certainly we got some kudos from some kind of unexpected areas. And I hope Bruce Johnstone is watching because he'll probably be surprised that I'm quoting him, but I think Bruce has really put this thing in context. He says:

There's a big difference between this spending spree and the orgy of overspending in the 1980s that made drunken sailors look like paragons of fiscal rectitude.

And, of course, we know of which he speaks. The fact of the matter is — and I do want the opposition to listen carefully. I've said this before, but the fact of the matter is 30,000 young people left this province during the time that they were in government — 30,000.

Now at this point we're creating 5,900 new jobs for young people a year. We haven't quite overcome all of the damage. But the fact of the matter is we have gone a long way to repair the damage that was done by priming the pump in a wild and reckless way over the '80s. While speaking of priming the pump:

Instead of Jacuzzis and decks, the government is lavishing more money on . . . (things like) community schools, early childhood programs to reduce fetal alcohol syndrome, highways, farmers, health, school operating grants.

. . . about \$264 million in one-time spending . . . thanks in large measure to the province's "rainy day" fund — the \$500-million Fiscal Stabilization Fund.

Now, he goes on to say that:

As a hard-headed . . . business columnist, (he perhaps) should be condemning the opening of the spending floodgates and clamouring for more tax cuts.

(16:00)

But he goes on to say:

I'm sorry I just can't find it in my heart . . . to condemn the . . . government for spending more money to prevent unborn babies from getting FAS, or giving seniors a tax break . . . or enhancing tax credits for students, people with disabilities and caregivers.

Well I guess we know who has the heart around here, Mr. Deputy Speaker. And I'll just go on to say that:

. . . the soul-grinding process of snuffing out the deficit, and paying down the debt took its toll on Romanow and his cabinet colleagues . . . Ultimately . . . (the goal) of government, which is not to (just) balance the books or pay down the debt . . . (it's to improve) the quality of life for the province's citizens.

. . . (And the Premier), a United Church minister and former health and social services minister, recognized the need to replenish the roots of Saskatchewan's hard-pressed citizenry.

But he again reminds us that we do have to remember the means to the ends, and of course we are ever respectful of the taxpayers and the need to make sure that there's both value for tax dollars and a thoughtful long-term plan of tax reduction.

The other thing, I don't often quote Murray Mandryk either, Mr. Deputy Speaker, but he does point out that:

The . . . Opposition spent much of the last year complaining about the sorry state of Saskatchewan's roads . . . the lack of support for small business . . .

Well he emphasizes here that we've responded with a plan to reduce small-business income tax, to fix the roads. And I guess to have the courage to solve some of these problems is the stuff that governments are made of and we were happy to do that.

And I just note, Mr. Speaker, that the budget was applauded by business. They'd like to see some even longer term tax plans. And we certainly agree that planning is a good thing, and it's something we intend to keep doing.

The last thing I'd like to talk about, Mr. Speaker, is the plan for the development of the broadband Internet. Now there's no question that this is going to create opportunities that communities have never had, both for service delivery, for economic development, and for communicating with networks within their community. It enables you to create, if you want, a virtual economic region, a virtual service region for the sake of information sharing, resource sharing.

And we haven't got enough time today to go too far into this, but I'm a little bit surprised at the member from Canora-Pelly saying that this is no panacea for what ails the economy. Well

the fact of the matter is there are huge opportunities in Internet applications, both for businesses and the public sector, and that there's a large number of young people today who leave specifically for those kinds of jobs, and by having this sector developed here, they will stay here specifically for these jobs.

So I just say, Mr. Deputy Speaker, that I find having considered the amendment and understanding what municipalities want surely, but I just want to assure people there is a long-term plan. I don't intend to support the amendment. I will indicate that I will be voting against the amendment and I will be supporting the budget.

Thank you, Mr. Speaker.

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

**Mr. Wakefield:** — Thank you, Mr. Speaker. It's real opportunity for me to be able to add my comments with regards to the budget that was presented just on Friday.

One of the things that I spotted right away, Mr. Speaker, was that there was an opportunity that was really missed. It was a lost opportunity because there was a chance for the Minister of Finance to follow up on the budget . . . on the Throne Speech with giving some details as to how we could move this province ahead with vision and with some kind of objective in mind.

What I noticed, Mr. Speaker, was that this opportunity really was looked for by the people of this province as well. They wanted something to get a hold of, something that they could believe in because they didn't feel that they wanted to leave this province particularly, but there is a outward exodus. As you know, the population is stagnant and jobs, unfortunately, are leaving the province.

This was an opportunity for people to say, yes, I will stay; yes, I will come back, if they have left already. Here's an opportunity for people that are planning their future to say, yes, I think I'll stay in Saskatchewan; yes, I think I will expand my business in Saskatchewan.

I'm thinking in terms of some of the retired farmers or farmers who will be retiring. When they, for instance, sell their land and develop . . . or liquidate their land so that they have a retirement fund, where do you think that retirement fund is going to go? Is it going to stay in this province or is it going to move out with the farmer as he leaves the province?

One of the interesting things I've found, Mr. Speaker, when I was talking to the constituents in the Lloydminster constituency, was the fact that whether this government wants to believe it or not, people are making those decisions. Whether this government perceives the opportunities are here in this province and not elsewhere, the fact is that people are moving, they are making decisions to move.

In a discussion I had with an accountant on the weekend in Lloydminster, he explained to me that 20 per cent of the accounts of his Saskatchewan clients were now moved out of the province and they are now into Alberta — 20 per cent of their Saskatchewan clients have moved.

Talking to the business people — and not only in Lloydminster, I'm talking to business people in the Edam/Turtleford area, in the Maidstone/Lashburn area, the rural parts of the constituency, the businesses in those towns in fact have developed exit strategies already. They are preparing probably for the worst. And I was hoping that this particular budget would give them some incentive, some confidence, or some hope that they would be able to fulfill their destiny right here.

Mr. Speaker, what we have to do is to identify what the problem is. Before you can solve a problem, you have to recognize that there is a problem. You have to identify that problem before you can solve it.

Now there is a problem in this province. Other people have talked about it. We've talked about it. The population is stagnant. Students out of universities, graduates out of universities are leaving. Businesses are leaving. We've talked about it and it's a fact. What we have to do is recognize what is the problem forcing them out of the province and what can we do to correct that.

One of the things that you don't do is to continue spending large amounts of money on issues that you're not sure that will solve the problem. Whenever there was a situation arose in Health or in Education or maybe in Highways, the budget indicates that we're going to spend so many dollars on this, we're going to increase the dollars. The fact is that maybe there's a better way to do those things rather than just say we're going to put money at it and hope that the solution will automatically follow. That isn't the case. I think we have to do things much better, much more efficiently.

So when we look at this budget, and look at the signals that it actually put forward, I think we get to the basis of where the problems really begin.

When people look at this budget and say what's in it for the province and how do I fit into this particular budget, what they see is a bigger government. The budget very explicitly says that they are going to expand the government, they are going to increase spending. In fact, the spending is going to increase at a rate of 7 per cent.

Now that is a signal that really makes people wonder. Because as it was mentioned earlier, people have been told that the economy is getting tighter. We are in a particular susceptible time for a downturn. The American economy often leads the way. And right now what we're seeing is not a tightening of the belt, but we're seeing an increase in spending and a tend toward bigger government.

The signals that we see from this budget also is that the . . . some of the remedies aren't in place that people were hoping for. We didn't see any reduction in the gasoline tax. We didn't see any reduction in the PST. We didn't see anything that is going to relate to helping us with our property tax, because the downloading of some of the problems is still going on to both education and to the municipalities.

The focus has to be — from what I saw in the budget — the focus was on spending, an increase in spending and not cutting. If we're going to have a more sustainable budget, we're going

to have to take into grips . . . into account and come to grip with the fact that there are administration costs, for instance. And I want to pick out one thing that this government certainly had some control over.

Each of the departments, in their own department, have indicated that the administration of that department is going to be on the increase. Every department except one. Now that's not exactly a signal that gives confidence to the people of this province that the government is concerned with really tightening their belts as well.

There's no personal . . . no additional personal tax cuts that we could see. And certainly, no additional cuts for the large corporation. We noticed — and I do applaud the fact — that there is a small-business corporate tax. I think that's going in the right direction. We indicated that that was the right thing to do all along.

I guess the problem that we have there, Mr. Speaker, is that if we're trying to attract people back to this province in the form of small business, we're going to have to be a leader not a follower. This particular tax cut from 8 to 6 is merely following what is happening on either side of our border, in Alberta and in Manitoba.

Alberta is now at 6 per cent cutting it to 3; Manitoba, I think, is moving to a 4 per cent. We're only playing catch-up. We're not giving the right signals to have people say, yes, we do want to come back to that particular province.

What I'm concerned with is that we have to learn from what is happening in our province. The problem, the problem is that people are leaving and businesses are not responding, and we have a very flat, both a tax level, and we also have a very flat population level.

We need to have people coming back to this province and paying the taxes that are going to sustain the infrastructure that I'm talking about. And how do you, how do you attract people and put those confidence in people to come back when, in fact, there isn't the incentives in place for them. We are driving people, we are driving people away. What we have to do is attract the people back.

We want to . . . we have to make specific recommendations and specific plans and not just rhetoric about how well the province is doing. We have to learn, for instance, that tax reductions in fact do work, and not just the personal income tax and the small-business corporate tax for the small baby step that was taken. We have to realize that those kinds of reductions do work and will stimulate the economy and bring people back here.

We talked earlier about the number of people in the high wage-earning age group that in fact are not in this province. Those are the people that we want to come back here. If we can give them the right signals, if we can give them the confidence that there is going to be a benefit for them, I'm sure they will want to come. A lot of the people from Saskatchewan are in other provinces looking back at us. And as the taxes are reduced, the economy will spur.

(16:15)

We also have to be . . . make sure that there is a friendly investment climate in this province. Friendly investment climates do attract businesses. We need friendly fiscal policies and we need friendly regulatory policies. Both of those items are missing at this particular time.

In order to get jobs and taxpayers in this province, we need to create the atmosphere for jobs. But to get the jobs, you need development. To attract the development, you need to attract the businesses. To attract businesses, you need to attract the investment. And to attract the investment to cycle all of those things, you need the confidence and the transparency and certainly the signals that will indicate that we in Saskatchewan are ready for that.

The biggest concern I have with the budget, Mr. Speaker, is the sustainability of the budget. When I looked at the numbers, I was rather shocked to find that if you look at the long term with the increase in spending, the decrease in revenue, how could this possibly lead itself to a sustainable economy in this province.

When I looked at the numbers, I could see the revenues from own source were down over 9 per cent; the operating expenses, as I mentioned, were up over 7 per cent. That's a 16 per cent difference between what the situation was even just a year ago. And if you include the debt-servicing part, the operating expenses are still up five and a half per cent or so. That's a 14 to 15 per cent difference.

When I look at the debt of this province and then I look at the deficit, the deficit between revenue and expenditures — which is the definition in the budget — is about \$1.3 billion. That's the deficit from this particular budget. I'm wondering how that's sustainable.

Now that is made up from other sources and I grant it, it's true. For instance some of the things that will make up that difference will be the transfer payments from the federal government. Fortunately there are provinces in Canada that are doing well, otherwise we would be in real trouble. And those federal transfers, by the way, are increasing by the number — 17 per cent.

Other things that have to be taken into account to balance this budget of course is the drawing from the Fiscal Stabilization Fund. That's the fund that was put in place for a particular rainy day. I guess this is a rainy day. In order to continue increasing the spending and hiring more people in the civil service, I guess that qualifies for a rainy day. So we have to draw down from the Fiscal Stabilization Fund.

We also have to make sure that the Crown corporations pay their . . . a dividend to the government, otherwise the . . . it will not be, it will not be a balanced budget. In fact, the Crown corporations, by dividend, will now be paying \$200 million to the government in this particular budget. So those three things — Crown corporation, federal transfer, and Fiscal Stabilization Fund — is the only thing that's keeping this budget from being a deficit budget.

It's interesting to note that the \$200 million that the Crown corporations will have to pay in terms of a dividend will

actually . . . the servicing on that debt will actually be about \$300 million. Now isn't that an odd situation. We have to draw \$200 million from them to balance the budget; the cost of servicing the Crown corporation debt is \$300 million. That's not sustainable, Mr. Speaker, in any sense.

In order for the Crown corporation — that has increased its debt considerably — to achieve this, they are going to have to increase their revenue sources which is, in fact, the utilities that you and I are paying in this province. So don't kid yourself, we are going to be paying an increase, maybe not in a direct taxation but certainly in utility rates and in property rates.

Even though the government has indicated and have continually talked and bragged about the reduction of the government debt which is going down about 3.5 per cent this year, you have to realize that the Crown debt is going up at over 7 per cent. So when you look at the overall gross debt by the numbers in the budget . . . the overall gross debt, the actual gross debt has increased. It's increased from last year.

I looked at the four, the four Crown corporations, the four largest Crown corporations that affect the people in this province probably the most. One of them is certainly SaskPower, SaskTel, SaskEnergy, and even SOCO (Saskatchewan Opportunities Corporation). When I looked at those four Crown corporations, their debt will have increased over 15 per cent. That has got to be, that has got to be an indicator that it's going to cost the customers of those utilities in the meantime.

Those are real concerns that I have, Mr. Speaker. Because of those numbers, the sustainability of this budget just is really in question. We can't go on doing that kind of thing when you think of it in terms of a business sense. In the business world, if your revenues are down and your expenses are up, what do you do? If your revenues are down, you somehow reduce the spending or you freeze the spending; you don't increase it. And if you somehow get a windfall in your revenues, which this province has done, what do you do with it? Do you hire more people or do you put it towards something that will be a windfall for the people in the long haul? For instance, maybe you pay down your mortgage if you're in the business world.

If you can't reduce your spending, then you must increase your revenues. It just makes business sense. And the way to increase that revenue is to . . . you have to attract the businesses, you have to attract the development, and you have to attract the people that are going to be paying taxes.

That is what has to be done, Mr. Speaker. That is why the budget is a real concern to me, because those basic business considerations are not taken into account. We need to increase . . . we do not need to increase the expenditures in this province, we don't need to create a bigger government, we certainly don't need to increase the civil servant, Mr. Speaker, and for that reason, I'm going to be supporting the amendment and I cannot support the budget.

Thank you.

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

**Hon. Mr. Goulet:** — Mr. Speaker, it is indeed a pleasure for me to get involved in this tremendous budget of the year 2001.

Mr. Speaker, I know that the members across are again fidgeting as they did in my last speech, because they know, Mr. Speaker, that this is a good news budget. They know that this is a budget, Mr. Speaker, that connects to the people of the province. It's a budget that connects to all of Saskatchewan and the future of Saskatchewan.

Mr. Speaker, they are also out there, always saying something when I'm speaking to quieten me down because, Mr. Speaker, they don't like listening to the people. This budget listens to the people, but the members from opposite side, they simply can't do that.

Mr. Speaker, I'd like to do a little bit of an overview on the budget. I want to cover, you know, the overall theme. I'd like to cover the good news items. I'd like to talk about the balance that's in this budget in regards to not only balancing the books but also in regards to trying to have a policy of inclusion in regards to the business level as well as working people, the balance on the economic and the social side, and the balance also in regards to debt, taxes, as well as expenditures.

Now in regards to the budget, Mr. Speaker, I would say this: that as we were listening to the people, they said that we still wanted to have a firm foundation over the long run but we still needed a balanced view. So, Mr. Speaker, I was very, very happy to be part of the team of the Government of Saskatchewan to deliver not only the first balanced budget in Canadian history, in the recent, modern-day history, but also the eighth balanced budget. We are the first government in Canada to have a balanced budget for eight years running.

I would like to mention that lest we forget, Mr. Speaker, because I was here in the House when Grant Devine and the Tories were around. I was here, Mr. Speaker, when they put this government in debt at over a billion dollars a year.

**An Hon. Member:** — And we're still paying for it.

**Hon. Mr. Goulet:** — The members from our side say we are still paying for it, Mr. Speaker, and that's very true.

Some of those people over there like to hide and forget the connections that they had with the Tories. They even tried to change their name to the Saskatchewan Party, but it's the same old Tory Party. It's the same old party, but then, Mr. Speaker, I see the same message coming from there.

Mr. Speaker, all they want to do, they say, is cut taxes. But as soon as the money goes down, they say, spend more and spend more and spend more. Nothing new. It's the same old Tory strategy of the '80s, and that's exactly what I'm hearing from the Sask Party. They may change their name, Mr. Speaker, but they're the same old Tories.

Now, Mr. Speaker, in regards to the facts on that ... The member from Moosomin says I should say it again, because he was a strong Tory. Along with Grant Devine, he was proud of being a Tory. He was proud of putting this Saskatchewan government and the people in debt by billions and billions.

Mr. Speaker, I will explain that. There is a difference between a million dollars, which is a lot of money, and a billion dollars. And I used to explain this when I was in opposition at that time to the people of the North and throughout this province. I used to explain what is the difference. People wanted to know the difference between a million dollars and a billion dollars.

These people are putting us in the hole a billion dollars a year. What is a billion dollars versus 1 million? This is what it is. If you are going in the hole and you owed a million dollars and you throw a dollar down every second, it would take you 12 days to pay up 1 million. Now if you owed a billion dollars, guess how long it would take — 32 years, Mr. Speaker. The difference between a million dollars and a billion is a difference between 12 days and 32 years.

And these old Tories used to be able to spend so terribly and so outrageously, that that's the amount that they put this province in the hole by.

**An Hon. Member:** — And it's \$640 million interest a year.

**Hon. Mr. Goulet:** — Now the member reminds me that it is \$664 million a year on interest payments. I'll have you know, Mr. Speaker, that with our balanced budgets, when we were balancing the books all these years, the actual interest payments on the debt by the Grant Devine Tories, now called the Saskatchewan Party, they put this province in debt by \$882 million.

Mr. Speaker, when I listened to the Finance minister, he also said that, at that year, when we spent \$882 million on the Grant Devine interest payment on the debt, that indeed we were spending less money on education than on interest payments. And that was a very shameful part of our Saskatchewan history. Of course they're not ashamed of it. But to me, I thought that it was worse than highway robbery, Mr. Speaker.

(16:30)

Now when I looked at that, a lot of people are now saying, as they watch the balanced budget and the new expenditures, you know, that we're having and also the tax cuts that we're having, a lot of people are still worried about the old Tories, and we saw that in the past two by-elections. You know when I was doing some door knocking in Riversdale and I was doing some door knocking in Elphinstone, a lot of the people were still not trusting of these people.

And I think that that's the reason why, Mr. Speaker, they think that if they ever, ever were to come in power again, we'd have the same devastating example of financial mismanagement in this province.

So, Mr. Speaker, in regards to the budget, a lot of the people are very, very happy that we're listening to the people. We're listening to the people in regards to balancing the books, lowering taxes, as well as making very excellent expenditures in the educational and health and social realm, and as also in regards to the roads that they drive and walk on, Mr. Speaker.

On the tax side I would say this, because I was listening to the members as they were speaking, and they were talking about

taxes the way the old Tories used to talk about taxes. Well I will say this much, Mr. Speaker: we were able to knock down the PST from 9 to 6 per cent, and people remember that.

We knew that they knew and remember that it was sustainable. We didn't go in the hole every year that the Tories did. But they remember the Tory tax cuts. I remember the Tory tax on the gas tax. They cut the gas tax but it was not sustainable. It went in the hole by a billion dollars that year. And I will tell you; it went in the hole by a billion dollars a year after.

As a matter of fact, in the terms of the truth on that history — the member from Rosthern is chirping from his seat — in regards to that history, Mr. Speaker, when you look at that, the Tories brought back the gas tax because it was such a shameful example of mismanagement that this province had ever seen.

Sure the members can keep chirping on their seats, Mr. Speaker, but that's the truth of what has happened in this province.

Now on the tax cut, I was pleased to be part of this government to look at the largest tax cut in the history of the province in regards to income tax. Many of the people in our province go to work daily and they were telling us that they needed to have a certain degree of buying power in regards to daily living. And we therefore agreed and went with our plan over a three-year period on \$440 million, Mr. Speaker. Again, I was proud of that.

The other thing that we do is that we looked at the business side of the equation, and we looked at the manufacturing and sales tax cuts all through the years of strategic ventures that we made in that regard, that indeed a lot of the people were asking us, are you going to lower the small business tax. And I was pleased to report, and a lot of the business leaders in the province were very, very pleased about this, when they said that we indeed cut the tax in regards to the small business tax by 25 per cent, Mr. Speaker. That tax cut is from 8 to 6 per cent.

And this is what the Canadian Federation of Independent Business director, Marilyn Braun, had to say, and this is what's in accordance with that tax cut:

What that will do is encourage small firms to grow and expand, and that is something that we recommend to the government. And it's apparent that they were listening.

The Canadian Federation of Independent Business says that government was listening.

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

**Hon. Mr. Goulet:** — So, Mr. Speaker, when he looked at the tax cuts, I listened to one of my member's comments and they said that you listen to the other person from the tax side . . . I think his name is Truscott. And they say that he is just talking exactly the same line as the Sask Party . . . (inaudible interjection) . . . Did they have him on payroll before?

**An Hon. Member:** — He worked for the Leader of the Opposition.

**Hon. Mr. Goulet:** — Oh, he worked for the Leader of the Opposition.

**An Hon. Member:** — He worked in his office.

**Hon. Mr. Goulet:** — He worked in his office? Truscott worked in his office?

**An Hon. Member:** — And when they had to lock up for the budget the other night, he was in there with them.

**Hon. Mr. Goulet:** — Well, he was with them during the budget time.

**An Hon. Member:** — They released the details of the budget to him, notwithstanding the embargo.

**Hon. Mr. Goulet:** — They released the details on the budget? My goodness, even when it was embargoed. Well that is not very, very ethical from my viewpoint.

So when you're looking at the overall budget I've covered already, you know the balancing idea not only in regards to the budget itself, but the social and economic development, as well as the working people, as well as the business sector. And know I will move on in regards to the educational side.

Mr. Speaker, as a former teacher wherein I taught grades 2, 3, 4 in my teaching as well as grade 6 for a couple of years, it was heartening to see that in regards to the realm of education that this was a strong budget. A lot of the people have told me as I've gone through the North this past weekend, and listened to some of the people from a teaching background, they were telling me that we are listening. And we are responding to what they have talked about.

And same with the trustees. I met with a board member who was very, very pleased with the trustees because if you look at the formula on the operational side, we have moved from . . . in regards to the share of the costs, from 40 per cent to 42.5 per cent, Mr. Speaker.

And also if you look at the northern areas where the trustee was very, very interested in, we have moved from 1.30 to 1.33, and I'll tell you that that board member from northern Saskatchewan was extremely pleased and proud of this budget.

But he was also proud, Mr. Speaker, because we went back to the people in the community. They said we were listening in regards to the community schools. They said that they were very proud to have involved parents and teachers and consultants, as well as the children in regards to the educational realm at the school level. And they said that we were listening when we responded in regards to the expansion on the community schools idea to 42. And, Mr. Speaker, it now includes the high school level.

Mr. Speaker, as well . . . (inaudible) . . . the direct side of the budget, for my members from northern Saskatchewan who are listening, that indeed we are now, in that budget, including a \$360,000 for the community schools; on the 10 schools right now, as well as 160,000 new money on the high school side.

Again, you know, as I talked to the teachers and to the board members in the North, they were extremely pleased.

Mr. Speaker, the other item is in relation to health. In regards to the health side, of course, every year as the Minister of Finance stands here, we continue to have a record budget on health. This year it's 2.2 billion. I remember one time it was 1.2 billion. I remember one time when the budget on health was 33 per cent . . . 32 per cent of the budget. Today it is now 40 per cent and 2.2 billion. Yet, I hear the members who are chirping from their seats saying that, hey that's not the correct number.

And yet, I know one thing. When they were in government and in power as the Tories, they were never, ever, able to read the budget. They had the same old Tory math as my other members of them and don't really understand exactly what's happening in regards to proper expenditures.

So the 230 million, Mr. Speaker, will be well used by the people of the province.

I have to say something more about that, because there was disparaging comments by the member from Melfort, you know, the other day when there was a debate on, in regards to working people in many areas.

But I'll have more to say about that later on because for me, I am proud of those health workers. I am proud whether they work at cleaning the health centres, or whether they're doing the doctors' work, or whether they're doing the nursing, or the LPN (licensed practical nurse). For me, I respect all the workers; but they play a divide and rule strategy which I will talk about later on.

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

**Hon. Mr. Goulet:** — Mr. Speaker, as we moved in on the health side, I might say this much. I was at a conference the other day. It was held by the P.A. (Prince Albert) Grand Council in regards to the issue of fetal alcohol syndrome. And they had expected about 200 people at that conference, Mr. Speaker, and lo and behold, there was about 500 people that were there.

So I was given the opportunity to say a few words at that conference, and people were extremely happy and pleased that the province will be moving forward in partnership with them over the long run. And what they were very particularly pleased with is that in our concept of partnership, not like the old Tories who like to play divide and rule between Aboriginal and non-Aboriginal people, we did a partnership.

Mr. Speaker, as I went to the four coordinating committees from Regina, the North Battleford, to Prince Albert and La Ronge, when I got in and gave a specific example of northern development, the Lac La Ronge Indian Band was part of a strategy with Mamawetan Churchill Health District in northern Saskatchewan and all other people who are involved.

Mr. Speaker, to me, that's a sign of positive action by the government, not only in regards to fetal alcohol syndrome and early childhood education, Mr. Speaker, but the partnership concept that goes along with that strategy.

Mr. Speaker, there are works that we're doing in regards to diabetes. And as we move along on this question . . . And I visit the northern communities, and when I visit the northern communities, a lot of them talk about diabetes and its impact. Whether, you know, it's the losing of the limbs or the eyesight being lost, Mr. Speaker, it's quite a tragic situation for a lot of people. And again, Mr. Speaker, I'm glad to say that last year we moved in on the diabetes strategy, again on a partnership model, and will continue again on this year's budget.

On the other thing that I would like to talk about, Mr. Speaker, and that's the question of northern Saskatchewan, when I was in northern . . . in the North I was in La Ronge doing a budget tour and I was as well to another event in Prince Albert where there's a lot of Northerners gathering.

And they were pleased again in regards to the North. Because I'll tell you something, they remembered from last year's budget — and this is a continuation of last year's budget — there was \$120 million on the centennial fund. And people were very pleased that on a per capita basis we were supposed to receive approximately 4 million. But a lot of the people in the North were very happy to see that we were getting \$5 million a year for four years, Mr. Speaker. And that indeed we would be getting not only \$20 million but \$21 million in regards to that centennial fund.

And to me, Mr. Speaker, it bodes well for this government and their partnership with northern Saskatchewan because it impacts many areas on educational development, health development, as well as infrastructural concerns.

Mr. Speaker, for those people who are listening in from the South, there were areas for example where we didn't have . . . When the Tories were around they completely neglected the North. Zero monies in regards to sewer and water when they were there, Mr. Speaker. We had to play catch-up as we came into government and we did some money into our first term, our second term, and our third term.

But I would say this: that we have finally achieved the standard, Mr. Speaker, in that regard. Because we are now going to be finishing off . . . I think it'll be the first in Canada in northern areas where the nine communities without sewer and water will be now getting sewer and water, Mr. Speaker. To me that is something to be proud of.

We will be getting 24 communities upgraded on their sewer and water. Those are the types of actions, Mr. Speaker, that's a sign not only of a government that looks after the pocketbook of people but also connects through the people, listens to the people, and does compassionate action, Mr. Speaker.

The reason why — somebody asked me — it took so long is that . . . When I looked at the budget from the, let's say the housing side. When the Tories were around nothing was done. So it took a long time. And I remember in our first term we put in about \$8 million. Then we added on another \$7 million on housing. Well last year we did another \$9 million, Mr. Speaker, for a total of 24 million. You add the 24 million we did on sewer and water and the 24 million in regards to the housing situation and that's action and listening by this government.

(16:45)

And when I remember when I was in opposition with Grant Devine, and some of those members were, you know, with Grant Devine in regards to the party strategy and everything like that, that indeed there was really, really nothing done for the people of the North.

Well technically they were saying, the member . . . (inaudible) . . . but they got to remember, Mr. Speaker, that the Sask Party . . . I mean the Tories were so corrupt and they mismanaged the province so much that they got to change their name into the Saskatchewan Party. They forget that. They try and leave that.

But you can look at that different from people from Kindersley, the member from Kindersley knows that. They know the Tory fund scandal and all of that. So I knew that as well. I was part of opposition when that came about, Mr. Speaker.

Now when I look at the issue relating to Highways. We've been listening to the people in Education and acting on that issue. We've been listening to the people and acting on Health. We are now listening to people and acting in regards to northern Saskatchewan, throughout this province. Also we have listened to the people in regards to Highways.

Close to a billion dollars over the next three years will be spent in Highways. And I will tell you, that is the largest in the history of this province. We will be looking at not only the development in the urban areas, the rural areas, but also in the North, Mr. Speaker. And I looked at the comment on the highways section from a particular Mayor Robert Ducan of Val Marie, and he said this about the roads money announced in the budget, he says this:

I am pretty ecstatic.

Now this was a guy who was part of the crew that was fixing roads last year. He says:

I am pretty ecstatic. I think they are really going to give it a good try. I really think that this government has shown . . .

Now listen to this . . . The members are chirping. The members are chirping from their seats again, Mr. Speaker, but a billion dollars in three years is not a bad try.

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

**Hon. Mr. Goulet:** — And this is what he says, and I will continue if . . .

**The Speaker:** — Order.

**Hon. Mr. Goulet:** — I know that the Leader of the Opposition doesn't like to hear this, but this is what the Mayor Robert Ducan of Val Marie says:

I really think that this government has shown a real interest in trying to address the problem of rural Saskatchewan. I feel pretty positive about the whole thing.

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

**Hon. Mr. Goulet:** — So, Mr. Speaker, when you look at the Canadian Federation of Independent Business, when you listen to the commentary by people from the rural areas, you see a tremendous aspect in regards to the support on this budget.

And I may say, as I was talking about the Education budget, I listened to the commentary by people from the SSTA (Saskatchewan School Trustees Association) and from the STF (Saskatchewan Teachers' Federation). And Gary Shaddock of the SSTA says:

We see this year's budget as an investment in our children, the future of our province.

Wayne Clements of the STF says this:

We are quite excited, given the fact that the community school mandate has been expanded, in fact doubled.

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

**Hon. Mr. Goulet:** — Further than that, I heard the member from Canora-Pelly wondering what else Gary Shaddock of the SSTA was saying. He also says this:

We have a number of schools that are isolated, distance problems and so on, and so with the bringing in of the CommunityNet, it's going to help rural and isolated schools in the North.

That's what Shaddock says, the member from Canora-Pelly.

Now when you look at the aspect of the development relating to the rural area, I might say this, Mr. Speaker. As a person from the North . . . and of course, my farm experience is very limited.

I remember being in a 4-H club and we were having community . . . we used to have community gardens to help the people deal with the high cost of food from the Hudson Bay Company at that time. And we were trying to help out a lot of our people and we did a lot of community gardens. So we did a lot of the community gardens and I helped out when I was growing up, not only on the community gardens in relation to growing potatoes or getting cabbage or carrots and so on. So I was involved in a lot of that type of development, so I knew the value.

And we also had a farm, you know, at Cumberland, which a lot of . . . the government that worked in co-operation with the people of the day, through the CCF (Co-operative Commonwealth Federation), and that later on we are now having the community running.

So, Mr. Speaker, I did know something about not only the grouse I was hunting, but also the cock-a-doodle-doo that I used to hear in my Dick and Jane readers, you know, as I was growing up.

So the members from across may think that my rural background is dealing with, you know, such issues as gardening and wild rice, as well as . . . The wild rice, by the way, is 80 per cent of Canadian production now. But also, on the blueberries and also, you know, the possibilities of the expansion of that in

the North. But these are ideas that they have no vision about, whereas people in the North have that vision in regards to the agricultural sector.

But let's look at the South, and this is what they don't want to hear, the good news. Mr. Speaker, the member from Kindersley simply doesn't like the good news, although I heard he made some positive comments about this aspect. Because he said that we have a 95 per cent increase in the budget in regards . . . 95 million, I mean, increase in regards to the agricultural budget, which is a 33 per cent increase, Mr. Speaker. That's why you don't hear anything of the opposition on agriculture.

I remember, I thought it was simply politics that they were playing over at Elphinstone and Riversdale, because during those by-elections in the city when they were trying to get city votes, we heard absolutely nothing from them on rural Saskatchewan — zero. Although their member that ran in from, on particularly Elphinstone, was in the farm area and right in the farm area, he came to run, but they talked zero about agriculture, although agriculture is important for the rural area and for the urban area at the same time.

So there they were, Mr. Speaker. They were looking at the situation in regards to rural development and just talking doom and gloom. But the message is positive; the message is positive — the 95 million, the 33 per cent increase. And I know that the member from Kindersley is smiling because at least he agreed on that point early this morning.

Mr. Speaker, I would like to say this much on the idea of the concept of a divided role that I picked up during the Grant Devine era. Grant Devine was always trying to create a split between the rural area and the urban area. And he tried to create a split between the North and the South, and northern Saskatchewan and the South. And he was always doing the same strategy of splitting the business sector against the workers.

And I must say, and I must say that this week I was utterly surprised — well really not surprised, I guess. I listened to the member across on the budget. The only thing they attacked about this is that they attacked working people of this province, Mr. Speaker. They attacked the working people, whether it is people that we hire . . . that are going to get hired by the health boards in regards to the health system — people who do the cleaning of the hospitals, people who are doing the doctoring, people who are doing the nursing. These people are making disparaging remarks, Mr. Speaker.

Because when I heard the member from Melfort, he was talking, trying to create a split between the nurses and the janitors. And he made disparaging and negative remarks against the janitors, Mr. Speaker, and negative remarks against the administrators. And these are honest, hard-working people, Mr. Speaker, and they make terrible negative remarks; the same that I used to hear when Grant Devine was around.

So not only do they have the same tax-and-spend strategy like the Grant Devine Tories, but they also have the same divide-and-rule strategy in regards to working people. They don't have pride in the working people. They don't have pride in regards to the . . . seeing a combination between pride on the

business sector, and all they think about is Alberta, and thinking about Alberta and all of that.

They don't make disparaging comments about Alberta workers, but they will Saskatchewan workers and that is exactly what they were doing.

So I will say that when I looked at that . . . (inaudible) . . . rather than making constructive remarks, they made destructive remarks of our province and also of our hard-working people. So when I looked at that, Mr. Speaker, I find that very, very, very disappointing.

I think that on that side of the equation, Mr. Speaker . . . I know that when we're doing the northern development on the energy mine sector, when I looked at the province and we listened to the energy and mining business people, they told us that we needed to improve. They said that we needed to improve the sector relating to services dealing with geoscience.

Mr. Speaker, these people made disparaging remarks to the workers who I'll be working at helping the mining sector, but I'll tell you the mining community are saying yes, that is a good idea, we will be getting now digitized services — the best in modern-day technology when we get our maps to do our exploration.

Not only that. In regards to the taxes, we're going to have a 10 per cent flow-through tax credit to the mining companies. That will be combined with 15 per cent on the federal level for a total of 25 per cent on the tax credit to the exploration companies. To me, Mr. Speaker, that is real action.

So, Mr. Speaker, as I was looking at that, I was not only therefore very pleased with the extra workers that we got to deal with the mining and the development. We also . . . like in Northern Affairs many people and many of the businesses said we want to be part. When the Tories were around, the northern businesses couldn't get any contracts.

They're waving their flags over there, Mr. Speaker, their white flags. They're giving up. You know, they can't take any more of the great connection between the Grant Devine Tories and the Saskatchewan Party.

But the other thing that they don't like, Mr. Speaker, is that when I make a connection between them and Canadian Alliance, then they get pretty . . . (inaudible) . . . because Canadian Alliance in Canada is going like that. And they're worried, Mr. Speaker, because that's what they were connected with.

They supported Stockwell Day and knocked out Preston Manning. And a lot of the people sort of liked Preston Manning because he didn't like the elitist approach that some of the people offered in different parts of the country. He's a grassroots orientation. He didn't like the glitz and the stuff . . . and all that stuff. But he bought into it a little bit himself. But that's what the people in the rural areas didn't want — that type of elitism.

Because it's that type of elitism that I see in the connection on the attack on the janitor. That's the same type of elitist idea that

is there. That is what got in the Canadian Alliance earlier on, but they're moving away from those values. They're moving away from those traditions that were historically there. And I'll tell you, a lot of the rural people recognize that those were not the values that were part of the early development.

Even Preston started moving away, and also Preston Manning, and also now Stockwell Day, moving too far away from the values of rural areas and the values of this province.

And I will tell you, Mr. Speaker, that when you look at the situation, and when they did the attack on working people, it was pretty shameful when I saw that. Because in my . . . when I was growing up in northern Saskatchewan, I knew what elitism was and I knew what discrimination was, and I knew exactly what it meant.

And when I hear it, Mr. Speaker, and I see it, I tell it like it is. Because that's what it is. Because I can sense they are squirming in their seats when I mention that, Mr. Speaker. And that is what they're doing. They are indeed squirming.

And, Mr. Speaker, when I look at that, Mr. Speaker, I got their interest again. You know, I made this different connection overall, and I will continue to make that connection . . .

**The Speaker:** — It now being 5 o'clock, the House stands recessed till 7 p.m.

The Assembly recessed until 19:00.