

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Stewart: — Thank you, Mr. Speaker. I rise this afternoon to present a petition signed by citizens concerned about the deplorable condition of Highway 339. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 339 in order to facilitate economic development initiatives.

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

This petition is signed by individuals from the community of Avonlea.

I so present.

Mr. Bjornerud: — Thank you, Mr. Speaker. I also have a petition to present. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with the federal government, First Nations representatives, and with other provincial governments to bring about the resolution in the Lake of the Prairies situation and to ensure that our natural resources as a whole are used in a responsible manner by all people in the future.

The signatures, Mr. Speaker, are from the city of Yorkton and the town of Saltcoats.

I so present.

Ms. Junor: — Mr. Speaker, I present a petition on behalf of citizens of Yorkton, Saskatoon, Humboldt, and Muenster. And the petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to urge the government to resist the call of some groups in Saskatchewan to eliminate both the passenger and the express services of STC, leaving parts of rural Saskatchewan completely without these vital commercial and economic lifelines.

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

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to present a petition on behalf of those citizens concerned about the new enhanced crop insurance program. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop

insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

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

Mr. Speaker, this is signed by the folks from my constituency of Estevan. Thank you.

Mr. McMorris: — Thank you, Mr. Speaker, I too have a petition to present on behalf of the citizens of the province of Saskatchewan. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 35 in the Indian Head-Milestone constituency in order to prevent injury and loss of life and to prevent the loss of economic opportunity in the area.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, this petition is signed by people in the Weyburn, Tyvan, Sedley, Francis, Indian Head, and Qu'Appelle area.

I so present.

Ms. Hamilton: — Thank you, Mr. Speaker. I have a petition that is presented on behalf of the citizens who are concerned about the continuation of STC (Saskatchewan Transportation Company) services. And the petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to urge the government to resist the call of some groups in Saskatchewan to eliminate both passenger and express services of STC leaving parts of rural Saskatchewan completely without these vital commercial and economic lifelines.

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

Mr. Speaker, these are from the citizens of Regina and the community of Pense.

Ms. Bakken: — Mr. Speaker, I rise to day to present a petition on behalf of the citizens and constituents of the constituency of Weyburn-Big Muddy, and all the people of Saskatchewan on . . . about the deplorable state of highway No. 35. And the petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 35 in order to prevent injury or loss of life and to prevent the loss of economic opportunity in the area.

And as in duty bound, your petitioners ever pray.

And it's signed by citizens from Fort Qu'Appelle, Fillmore, Kronau, Francis, Regina, Weyburn.

I so present.

Hon. Mr. Wartman: — Mr. Speaker, I too have a petition on behalf of the people of Saskatchewan. It reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to urge the government to resist the call of some groups in Saskatchewan to eliminate both passenger and the express services of STC leaving parts of rural Saskatchewan completely without these vital commercial and economic lifelines.

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

And this is from the good citizens of Earl Grey, Saskatoon, Regina, and Punnichy. Thank you.

Mr. Wall: — Thank you, Mr. Speaker. I rise on behalf of the citizens concerned with the current state of tobacco control legislation in the province of Saskatchewan. Mr. Speaker, the prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products.

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

Mr. Speaker, the majority of the petitioners are from my hometown of Swift Current, but there are also petitioners from Wymark, Regina, and Radisson.

I so present.

Mr. Brkich: — Mr. Speaker, I have a petition signed by the good citizens from Arm River. Petition to halt the crop insurance premium hikes and coverage reductions.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Davidson, Girvin, and Bladworth.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby received.

A petition concerning passenger and express services of STC and addendums to previously tabled petitions, being sessional papers no. 7, 8, 11, 16, 17, and 18.

NOTICES OF MOTIONS AND QUESTIONS

Mr. D'Autremont: — Mr. Speaker, I give notice that I shall on day no. 15 ask the government the following question:

To the Minister of Finance: (a) what are the rate increases, service fee increases, and all other increases and charges to public or businesses for services rendered, implemented by your department for the year 2001-2003 fiscal year; (b) what is the projected increase or decrease in projected revenue taken in by your department through these fees and charges in 2002-2003 fiscal year; (c) for each fee or charge your department levies against the public or business for the provision of certain services, what is the projected amount to be taken in during the 2002-2003 fiscal year by your department, and what is the projected cost to your department to provide these services; (d) what service reductions or program cuts will occur in 2002-2003 for this department.

Mr. Speaker, I have a number of others dealing with the various ministries.

And I so present.

INTRODUCTION OF GUESTS

Mr. Elhard: — Thank you, Mr. Speaker. To you and through you to the members of the House and to our assembled guests today, I would like to introduce the grade 12 class from the high school in the community of Abbey. They are sitting in the west gallery, which is appropriate — they have probably come from the furthest point west to this event here today.

And I asked if I would be privileged to introduce them individually. They declined that particular option, but I think I'd like to ask them to stand, if I could today, Mr. Speaker.

The grade 12 class from the school of Abbey, Saskatchewan, and their . . .

Hon. Members: Hear, hear!

Mr. Elhard: — They are accompanied by their teacher, Mr. Alan Colpitts, and they were driven here by Harriett Schinbein. And I thank you for welcoming them to the Assembly today.

The Speaker: — And on behalf of the entire legislature, all the elected members, I wish to extend a special welcome to all of our guests here today who have come from various parts of the province to be close to the action in the legislature on this particular day. And I hope that everybody enjoys watching the proceedings of the legislature.

STATEMENTS BY MEMBERS

Rocanville Economy Growing

Mr. McCall: — Mr. Speaker, contrary to what some people are saying, or rather naysaying, there are good things happening in both urban and rural Saskatchewan.

In a good new story that comes to us from the East, there have been many positive developments in downtown Rocanville. As heralded in a recent issue of the inimitable *Moosomin World*

Spectator, Rocanville is booming. As a result, the buildings on Main Street have filled right up.

Mr. Speaker, here are some of the reasons why. Since 1996 Main Street Rocanville has seen the opening of a new medical clinic, a large thrift shop, a computer store, a framing and art shop, and Denis Lecomte's plumbing shop.

Julie Palaniuk has just opened a full-line bakery and deli that will serve the community as a coffee shop and a place for lunch, an opportunity that she has wanted to pursue for years, Mr. Speaker.

The Super Thrifty Drug Mart will double in size this year; something which pharmacist Tracy Burke attributes through the support the community has received . . . the support that the store has received from the community, support which has seen increased sales for each and every one of the past five years. And, Mr. Speaker, recent census numbers indicate that Rocanville's population is on the rise.

So, Mr. Speaker, people in rural Saskatchewan like the folks in Rocanville are succeeding through co-operation, hard work, and smart planning. And they are doing so in an economic climate facilitated by this government.

Mr. Speaker, you don't have to go to Calgary to find a flourishing entrepreneurial spirit; it's right here in Saskatchewan.

Some Hon. Members: Hear, hear!

Volunteer Award

Mr. Brkich: — Thank you, Mr. Speaker. I proudly rise in the House today to talk about a very remarkable resident of Arm River, Mrs. Helen Campbell, whose volunteer commitment to the community of Outlook has earned her the recognition of her fellow residents.

On January 23 of this year, I had the honour to attend the first annual Jim Kook Citizen of the Year awards presentation during the Outlook Chamber of Commerce annual meeting and banquet. Mrs. Campbell was an obvious first choice selection by the awards committee as she has been heavily involved in the Outlook community as a teacher, and since her retirement has established many programs which encourage interaction between students and seniors in Outlook.

Her noble volunteer service extends to being the coordinator of the Variety Place Buddy program, vice-president of the Saskatchewan Association for Community Living, assisting with Meals on Wheels, editing the local Co-op newsletter, and finally, helping out with the Welcome Wagon and Baby Welcome visits in Outlook.

Clearly this lady is most deserving of this new community award — one named after another great Outlook community man, the late Jim Kook. It's great to see a lady like Mrs. Campbell get the recognition she so deserves.

When asked how it felt to be so appreciated, she said, "There are so many deserving people. It is wonderful!"

Mrs. Helen Campbell represents the true spirit of Saskatchewan. I would ask that you join me in congratulating Mrs. Campbell for a lifetime of community service in the town of Outlook.

Some Hon. Members: Hear, hear!

Success Stories from Wilkie and Unity

Ms. Jones: — Thank you, Mr. Speaker. We've heard from the east side of the province, Mr. Speaker, so how do you suppose they're feeling out west? For instance, what about the two communities of Wilkie and Unity?

In an article entitled, "Rural Saskatchewan Community Success Stories," we read that, quote, "the town of Wilkie in collaboration with other communities in the region has had some remarkable successes," particularly the West Central Pelleting plant with its 600 shareholders.

Close by in the town of Unity, says the same article, is the highly successful farmer-owned North West Terminal. Both of these ventures prove that community ventures are viable and profitable.

Also, Mr. Speaker, the Unity director of economic development, Carey Baker, predicts a good year for his town with several major developments, including a 7,000-head feedlot just north of town.

Mr. Baker is quoted as saying:

We will see job creation, which is great . . . People choose to locate here because of the amenities and quality of life . . . Younger individuals are moving and staying here. They are starting to raise their families here.

A strong infrastructure and a solid business community is leading the way to a strong housing market. People in Unity are optimistic that economic opportunities will continue to grow this year.

Mr. Speaker, this is near my home territory, and I'm proud to talk about it. When we on this side talk about people moving west, we're talking about fine Saskatchewan towns like Wilkie and Unity.

Hon. Members: Hear, hear!

(13:45)

Camp Sask Cadet

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, this past weekend a cadet seminar was held at Camp Sask Cadet which is a wilderness camp north of Kelvington, and this seminar was to discuss the various aspects of leadership. Forty-seven young men and women, representing 30 of 38 Saskatchewan air cadet squadrons, along with 12 capable staff, were in attendance. These air cadets were selected to attend the seminar because of their leadership roles in their respective units.

Mr. Speaker, I was honoured to be asked to speak to this group of young people about leadership. The discussion centred on the types of leadership: autocratic, laissez-faire, and democratic, with emphasis on honesty, loyalty, teamwork, integrity, and communication skills as they pertain to effective leadership.

Mr. Speaker, I must say the members opposite could learn a great deal from these cadets about these important traits.

Mr. Speaker, the cadet program in my opinion is the best youth program in Canada if not the world. The program focuses on citizenship, physical fitness, and leadership.

It's ironic that this province is facing many challenges with its youth sector, yet our cadet program is not full. This program represents a great opportunity for young people to further develop themselves, not only as individuals but as future leaders.

Mr. Speaker, I would like to thank Major Pete Garton and his organization for their continued commitment to Saskatchewan's youth.

Some Hon. Members: Hear, hear!

Southern Economy

Mr. Van Mulligen: — Mr. Speaker, if we can trust the ever-vigilant press — and I think we can — it appears the Weyburn and area economy is seeing impressive growth.

In a recent story in the *Weyburn Review*, the telling line was as follows, quote:

Despite strains on a continental level, local industries are forging ahead.

How so, Mr. Speaker? Apache Canada had a, quote, "remarkable year" with production levels increasing by 30 per cent. And with all the drilling by Apache, it estimates it spent around \$75 million of which a large part went into the city itself.

Who else? PanCanadian, with its groundbreaking CO₂ injection program, is a company looking at continuous growth and the signs for 2002 show no sign of letting up with a gas plant in the Goodwater area being constructed.

Nexan Canada, formerly Alcatel Canada Wire, has just finished a \$20 million expansion of its plant and looks to increase its business even more.

And Duraco Window Industries says 2001 was one of its best years ever.

Finally, Mr. Speaker, the *Weyburn This Week* reports Mayor Don Schlosser as saying that economic growth in Weyburn was only outdone by Regina and Saskatoon.

Good things are happening in Weyburn and area, Mr. Speaker, and thank you to the local media for letting us know about it.

Some Hon. Members: Hear, hear!

The Melfort Journal

Mr. Ganteofer: — Thank you, Mr. Speaker. Mr. Speaker, and members, our local newspaper, *The Melfort Journal*, was named top of its class for the second time in three years. The judges of the 2002 Saskatchewan Weekly Newspaper Association General Excellence awards judged *The Melfort Journal* to be the best all-round newspaper in its circulation class. Out of 50 entries, they were the only paper to receive more than 900 points out of a possible 1,000 — 48 ahead of the next runner-up.

The Melfort Journal has also been recognized in the past by the Canadian Community Newspaper Association, which judged their publication as fifth in 2000 and sixth in 2001.

Mr. Speaker, I speak for all of the community when I express our appreciation for the excellent coverage that *The Melfort Journal* provides. I would ask that you join me in congratulating the management and staff for their success and wish them continued good fortune.

Some Hon. Members: Hear, hear!

Good News Headlines for Saskatchewan

Mr. Addley: — Thank you, Mr. Speaker. In answer to the eternal opposition question, can anything good come out of Saskatchewan, we've heard the good news from the East, the good news from the West, the good news from the North, and the good news from the South.

The answer is yes, it can. And there's more, Mr. Speaker. Had we world enough and time enough I could elaborate, but here are some recent headlines from Saskatchewan.

First from the Northwest, "Tolko Mill to create 240 jobs" in and around Green Lake. From Lloydminster, "Border City continues upward trend." From Wadena, "Construction at \$1 million mark." From the hills and valleys of Fort Qu'Appelle, "Economic Development Officer says Fort Qu'Appelle will boom." From Humboldt area, which we heard about yesterday, "Doepker Industries charts course with new distribution network."

From several places, stories like this, "B.C. couple finds Wroxtton area promised land of ranching" and "Alberta ranchers moving to Moosomin area." And not to leave out my hometown, the best little city in Canada, there's this, "City Shines in Growth Projections." And this, "Saskatoon's economy forecast to outperform the Canadian average." Finally, our Queen city, "Regina hits record \$214 million in building permits."

So much good news, Mr. Speaker, unfortunately so little time.

Some Hon. Members: Hear, hear!

The Speaker: — Order. I would like to mention to all of guests, that by our parliamentary tradition the action on the floor, that is if we're referring to speaking and heckling and applause, is supposed to be handled by the members only. In other words, you have to be elected to participate, and I'd ask

people to observe that.

ORAL QUESTIONS

Job Creation

Mr. Hermanson: — Thank you, Mr. Speaker. My question is for the Minister of Finance. The 1999 election platform by the New Democrats promised, first and foremost, to create 30,000 new jobs in Saskatchewan over four years. But the NDP's job creation record since '99 has been a dismal failure. In fact, since 1999 Saskatchewan has posted by far the worst job creation record in the country. It's not a creation record; it's a loss record.

Mr. Speaker, the NDP made its promise when our workforce was 480,000 people. Two years later the workforce had dropped to 472,000, and today only 465,000 people are working in Saskatchewan.

So, Mr. Speaker, my question is quite simple. In light of the first promise in the NDP platform of 1999, does today's budget contain a plan to honour the NDP's 1999 promise of creating 30,000 jobs before their term ends?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I will ask the Leader of the Opposition to have patience. In but a few moments he will know all that is in the budget.

What he has seen in the course of the last week and a half within this House, introduced in the Throne Speech, a very solid plan to build in this province, the province of opportunity, Mr. Speaker. A plan that says we are going to invest in our economy, we are going to invest in our people, in our human capital, and we are going to invest in our infrastructure and physical capital.

That plan, Mr. Speaker, announced in the Throne Speech about what, a week and a half ago, in a week and a half we have in this House introduced Canada's leading ethanol plan. A plan, Mr. Speaker, that will show leadership in North America, the first jurisdiction in North America to mandate the use of ethanol.

In this week and a half, as part of this plan, we have introduced measures in this House that will take on those who sexually exploit our children in the streets. We promised in the Throne Speech to restructure government. That's done.

We have a plan and our plan will not be deterred by the negativity of the men and women opposite.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. You know, we heard the same words two years ago. That they had a plan, that they were going to create jobs, that thousands of people were going to find work in Saskatchewan; 10,000 people were going to find work in the forestry sector alone. Mr. Speaker, words do not create jobs. A change in direction by the NDP (New Democratic Party) government will create jobs.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Mr. Speaker, the facts are — and I hope that the Premier and his ministers listen — the facts are that jobs are being lost in Saskatchewan and lost by the thousands. These are people that are not only losing their jobs but leaving the province.

So once again I say in the light of the job loss record and no indication up to this point that there's a plan to correct it, will today's budget contain a plan to create those 30,000 jobs that were promised in 1999?

Hon. Mr. Calvert: — It should be obvious to all the difference in approach. Members on this side of the House day after day — including today — stand in their place and celebrate the success of Saskatchewan peoples and Saskatchewan communities.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Day after day in this House nothing but doom and gloom from the opposite benches. Now, Mr. Speaker, the Leader of the Opposition stands and refers to comments made about a year ago. That's very interesting that he should do that because about a year ago he was saying exactly the same thing, exactly the same thing, opposition blasts government.

But what did he say a year ago? Mr. Speaker, what did he say about the population increases in Saskatchewan a year ago? He said, if the Saskatchewan Party wins the next election, quote:

Hermanson said the population outflow would be stemmed within a year or two and the province would then grow if (if) the weather and the national economy permitted.

Well, Mr. Speaker, this budget, our plan, is not based on weather permitting, Mr. Speaker. It's a plan based on the optimism and conviction of Saskatchewan people.

Some Hon. Members: Hear, hear!

Budgetary Projections

Mr. Krawetz: — Mr. Speaker, I think it's fair to conclude that the Premier is not going to give any intention as to whether or not he's going to meet that 30,000 job creation promise of the 1999 platform. So let's move on to another topic of smoke and mirrors, Mr. Speaker.

Last year the NDP borrowed more than \$400 million from the bank to balance its budget. But they tried to cover the deficit up by claiming the magic money was coming from the so-called Fiscal Stabilization Fund. Never mind that the Provincial Auditor and just about everybody says there is no money in the Fiscal Stabilization Fund.

The NDP just dreamed up this non-existent stabilization fund and then used it to try to hide a massive, \$400 million deficit.

Mr. Speaker, will the Finance minister be using the same smoke-and-mirrors routine this year to hide yet another massive NDP budget deficit from Saskatchewan taxpayers?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, we stand in the legislature today with a government in place that has delivered today — counting today — nine straight balanced budgets.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — And, Mr. Speaker, in a province today that in the last five years has received nine straight credit rating upgrades . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — We stand today, Mr. Speaker, in a House that will be addressed by a Minister of Finance who has delivered five straight balanced budgets.

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Now, Mr. Speaker, in the current year, in the current year it is well-known that our expenses have exceeded our revenues — our expenses have exceeded our revenues. In this circumstance, we have drawn from those funds set aside in the savings account.

Now what, Mr. Speaker, would any Saskatchewan family find wrong with that? There's only one group who finds trouble with this — it's this group.

Last year, Mr. Speaker, last year, right after the budget last year, what did they say? I quote:

The Saskatchewan Party today slammed the NDP government for sitting on (over) 500 million dollars of taxpayers' (money, saying that we should spend it in tax cuts) . . .

They would have spent it all, Mr. Speaker. They would have spent it all.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, since the 1999 election the NDP has been more concerned about covering up its dismal performance than in providing good government and an honest accounting of government's revenue and expenditures.

Hidden fees, hidden fees and an expanded sales tax in the year 2000. The creation of a non-existent rainy day fund to hide a huge deficit in 2001. It looks like the NDP has borrowed a few recipes from the BC's (British Columbia) NDP's budget cookbook.

Mr. Speaker, it's time for the NDP to come clean with Saskatchewan taxpayers. It's time to tell the whole story about the NDP's budget deficits and fictional rainy day funds. It's time to follow the recommendation of the Provincial Auditor and the action of 7 out of 10 provinces in Canada.

Will the Finance minister confirm today he is moving to summary financial statements in this year's budget so that the

taxpayers will get the real picture about the NDP government's deficit budget?

Some Hon. Members: Hear, hear!

(14:00)

Hon. Mr. Cline: — Mr. Speaker, in order to answer the question about whether we're going to tell the complete picture of the finances, you know what I'm going to do? I'm going to quote the member opposite who said . . . who had this to say. This is how phony this argument is, Mr. Speaker. This is what he had to say on CJME radio, July 23, 2001. Question from Bonnie Braden:

Mr. Krawetz, (I'm quoting) when we look at these accounts, we see the summary or the full picture that you're talking about wanting to have in there. It's just a matter of you have to look.

And here's what he had to say, Mr. Speaker:

I believe so, yes. When you look at the two together, I think you get a complete understanding of the province's financial picture.

And of course, Mr. Speaker, when the member said that, the member was telling the truth, and I hope the member continues to do so today.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — You know, Mr. Speaker, the member doesn't even know what is in his own auditor's document. The summary financial statements are prepared by the auditor and they are presented approximately six months after year-end. That was the comment that I was making, Mr. Speaker, that indeed these numbers are six months late.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — They are not on time. Mr. Speaker, you know the strategy that the NDP minister follows is like the EnronDP's approach to financial management.

Last year, the NDP took \$200 million in dividends from the Crown corporations. And a few weeks ago, the Finance minister admitted he plans to suck out as much as \$300 million out this year. But there is no evidence the Crowns actually made \$200 million in profit last year or that they planned on making \$300 million in profits this year.

Mr. Speaker, does the Finance minister plan to force Crown corporations to borrow money to pay the government a dividend that exceeds the profits the Crowns actually make?

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, if the member opposite would watch the books and actually read the documents that are prepared by government, he would know, Mr. Speaker, that two years ago we had budgeted to take a dividend of \$150 million from the Crown corporations. That year we took zero.

That year I announced, Mr. Speaker, that we would leave that money in the Crowns until we needed it and we would withdraw that money when we needed it. The budget prepared today will do this, Mr. Speaker, it will do what this government said we would do. That's what it will do, Mr. Speaker.

And while I'm on my feet let me just add, because the members opposite are fond of quoting the Provincial Auditor, I have a quote from the Provincial Auditor where he says — and this is from *The Leader-Post* of February 19:

Acting Provincial Auditor Fred Wendel said the government is doing "a good job with its cash management practices" where it borrows from various funds to reduce borrowing costs.

And I might add, Mr. Speaker, that the interest costs on the debt ran up by those people have come down \$200 million under this administration, Mr. Speaker.

Some Hon. Members: Hear, hear!

Declining Student Populations

Ms. Draude: — Mr. Speaker, last year Saskatchewan people learned that the NDP government was planning on the loss of 30,000 students from the K to 12 school system by the end of this decade. Can you imagine that, Mr. Speaker, 30,000 fewer students in schools in Saskatchewan?

That would mean thousands of fewer teachers working and living in our communities. And it would mean even more schools closing. And the NDP has set the loss of 30,000 students as a goal of their government. Clearly the NDP government needs to be defeated, and the sooner the better.

Mr. Speaker, will the Finance minister tell us whether today's budget will scrap the NDP's plan to lose 30,000 students out of the K to 12 system this decade?

Some Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Well thank you, Mr. Speaker. Certainly the member opposite has asked this question before. And when we talk about demographics in the province of Saskatchewan and we look at the projections for a loss of 30,000 students in the public system, what the member opposite neglects — and it's not a surprise to me that she neglects this — but the reality is that we now have students in our public system, we have students that are home-schooled, we have students that are in independent schools, and we have students in band schools.

And from 1989, which the total population of students in this province was 204,000, and guess what it was last year — 203,000. So we're losing in the public system but our Aboriginal population is growing and those students are just as important as everyone else, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, this minister's own briefing notes said that our school system is going to be losing 30,000

students. Maybe he should be talking to the Finance minister about it. And if you don't have a copy of it, Mr. Finance minister, we'll be . . .

The Speaker: — Order, order, order. I would ask the member from Kelvington-Wadena to direct all her remarks through the Chair, please.

Ms. Draude: — Mr. Speaker, the truth is the NDP government has no vision for education. It has no plan to retain students; it has no plan to retain teachers; and it has no plan to grow Saskatchewan. What they do have is a plan to lose 30,000 students by the end of the decade.

Mr. Speaker, school divisions have indicated that they're going to need as much as \$85 million more to cover the cost of the new teachers' contract this year. Will the Finance minister confirm that there is adequate money in this year's budget to cover the cost of the new teachers' contract, or is this NDP government going to do as it's always been doing and that's just download the cost on to the taxpayers . . . the property taxpayers of this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Melenchuk: — Mr. Speaker, we all know that there are current negotiations between teachers and the government/trustee bargaining team going on right now. And they will bargain and there will be an agreement at some point in time.

And what we have done in the past has consistently . . . this provincial government has covered the cost of those teacher salary increases.

But I'm not going to make any commitments today. The Finance minister will deliver his budget later today. But let me tell you what we've done for education in the province of Saskatchewan just in the past few years.

We have increased the funding to our foundation operating grant over 16 per cent in just two years, Mr. Speaker.

We have doubled the number of community schools from 41 to 83, Mr. Speaker.

We have expanded our pre-kindergarten positions by over 80 per cent.

We have been investing in education, and the members opposite, in their platform in 1999, froze spending on education. Not one dime, Mr. Speaker, not one dime. Shame to them I say, Mr. Speaker.

Some Hon. Members: Hear, hear!

Drinking Water Quality

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the new Minister of Environment. Last year the NDP were faced with a serious water crisis in North Battleford. And as we all learned, the NDP government had been warned by department officials that many municipal water

supplies in Saskatchewan were below acceptable standards, and the province was facing a Walkerton-type situation.

Unfortunately, the NDP didn't listen to their officials, and they didn't take any action to improve the situation.

Mr. Speaker, the availability of safe drinking water is still a major concern for Saskatchewan people.

Will the minister commit today that we will hear of an immediate plan by this government to address these concerns and supply safe drinking water to our communities?

Some Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Mr. Speaker, once again I point out that Saskatchewan's going to face an incredible challenge when it comes to water quality. And last year this government put \$30 million into the fund to help meet some of those challenges, Mr. Speaker. And not only that, Mr. Speaker, we're going to make sure that all the operators in these water plants are certified, Mr. Speaker, and in five years, Mr. Speaker.

Secondly, Mr. Speaker, we're going to make sure that every water plant in this province is going to be inspected. And, Mr. Speaker, coming from that member . . . last year we chose to increase water inspectors; we chose to increase some of the health inspectors, some of the front-line people to help meet the water challenges. And what did that member do, Mr. Speaker? He stood up in this House and he voted against that budget, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I would ask the old minister of Environment to explain that to the mayor of Arran, who's been hauling water; to the town of Perdue, who applied to the infrastructure program three years running; to explain it to the town of Elfros, who just very recently we're told that they should as well apply to the Canada infrastructure program, but they were rejected. Both of these communities now are out of water. They're trying to dig new wells at this very moment.

Mr. Speaker, the response to the water quality and supply situation for these communities is totally unacceptable. When there are three departments — Sask Water, Government Relations, and Environment — all charged with overseeing water management, supply, and quality for Saskatchewan residents, why can these communities get no help from this government?

Some Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Mr. Speaker, there are many times I get tired of the posturing by the member opposite and the party opposite, Mr. Speaker. The very important thing is we are dealing with the city . . . or with the village of Arran now. Sask Water has met with the village people and they'll continue meeting, Mr. Speaker.

And yes, on this side of the House we are going to make a response, Mr. Speaker. And yes, on this side of the House we

are going to put some serious effort into sitting down with all the communities — the cities, the towns, the villages — and together with the federal government, with the Aboriginal governments, and the provincial government, we will come up with a very sound, co-operative strategy to meet some of the water challenges that every jurisdiction in this province has, Mr. Speaker.

Saskatchewan is not immune to the water challenge that every jurisdiction has, Mr. Speaker, but what we are going to do is, we're going to stand in this House and we're going to vote in support of every single penny that we can spend on water challenges, Mr. Speaker.

Some Hon. Members: Hear, hear!

Farm Safety Net Program

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Minister of Agriculture.

Mr. Speaker, a February report from Statistics Canada demonstrated that since 1998, 36 per cent of the people primarily involved in the field of agriculture have left that industry. It's no surprise that farm families are leaving the farmland of this province. Times have been tough over the last decade due to depressed commodity prices, international subsidy disputes, and most recently, severe drought.

But those times have not been helped, Mr. Speaker, by the NDP when they ripped up the GRIP (gross revenue insurance program) program in 1993. High taxes and a depressed Saskatchewan economy have not helped either.

Mr. Minister . . . Mr. Speaker, Mr. Minister, will you commit today in the budget . . .

The Speaker: — I would just ask the member to rephrase his question.

Mr. Boyd: — Thank you, Mr. Speaker. Will the government opposite today commit to the farm people of this province that you will implement a long-term safety net . . . that the government will implement a long-term safety net in this province, as promised?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I want to say to the House and the member opposite, I could tell you what's not helped in Saskatchewan in developing an agricultural program — what's not helped, Mr. Speaker. What's not helped in Saskatchewan, Mr. Speaker, is that when we make a presentation to Ottawa about putting additional money into their share, the member opposite and his party says we don't need the money, Mr. Speaker.

And it's happened on every front that we talked about, Mr. Speaker. When we said that the CFIP (Canadian Farm Income Program) program in this province doesn't work, the member opposite in the Saskatchewan Party said CFIP program is what we have to have.

When we said that we don't have to have the AIDA

(Agricultural Income Disaster Assistance) program, Mr. Speaker, when we said the AIDA program doesn't work in this province, the member opposite said we should be advancing AIDA for Saskatchewan farmers. Doesn't work, Mr. Speaker.

And then when we roll out a Saskatchewan plan for agriculture on safety nets, you know what? We don't hear one peep from the member opposite — not one peep, Mr. Speaker. And I say to the member opposite and the Saskatchewan Party, when we're building Saskatchewan agricultural policy, get out of the way because you're not helping us at all. Get out of the way.

The Speaker: — The Minister of Agriculture in his subsequent remarks should address them all through the Chair.

Property Tax Rebate on Farmland

Mr. Boyd: — Mr. Speaker, the two-year property tax rebate on farmland has now expired. This program helped rural municipalities as well as it helped farmers with the property tax concerns. It was a topic of interest at the recent SARM (Saskatchewan Association of Rural Municipalities) convention and many municipalities — in fact, all municipalities — and farmers across this province are wondering whether this program will continue.

Farm families have been through a very difficult year with respect to this province because of drought and may be facing another, unfortunately, difficult year. And if this property tax rebate isn't continued, many people believe that they won't be able to pay their land taxes this year.

Mr. Speaker, given the seriousness of the farm income situation in Saskatchewan, will the government opposite today commit to continuing the property tax rebate on farmland in Saskatchewan?

Some Hon. Members: Hear, hear!

(14:15)

Hon. Mr. Serby: — Mr. Speaker, this is an interesting time for the member opposite to stand up and ask whether or not we're going to be putting additional money in for farmers because you've not heard the member opposite, Mr. Speaker, ask any questions about adding any money to the farm property tax rebate in the last 10 days that we have been here. Never heard the request once, Mr. Speaker, from the members opposite — not once. But today they raise it.

And I say to the member opposite that this government will continue to do a whole host of things for farmers in the province as we have already. We're going to make a commitment, Mr. Speaker. We've made a commitment in the past to CFIP, and we got the third year of a commitment to continue for CFIP of \$70 million.

We're going to continue, Mr. Speaker. We have a crop insurance program today which we put our share in the crop insurance program and grew the crop insurance program by 14 million additional dollars, Mr. Speaker.

And we have some tough choices to make in Saskatchewan

today as other provinces do. And in a few minutes the member opposite will know what's happening in the agricultural file, Mr. Speaker, and in other parts of the delivery.

But I say to the member opposite, and to the members opposite, we can't build a provincial safety net program. We can't build a strong agricultural policy in Saskatchewan without federal money, Mr. Speaker, without any federal money. And I say to the members opposite, you need to get on board . . .

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. By believe I'd like to respond on behalf of the government to written questions no. 10, 11, 12, 14, and 15.

The Speaker: — By leave of the Assembly, items 10, 11, 12, 14, and 15 are hereby tabled.

Mr. Yates: — Thank you, Mr. Speaker. I'd like to convert for debates returnable, Mr. Speaker.

The Speaker: — Item 13 converted to returns for debatable . . . motions for return (debatable).

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

Hon. Mr. Cline: — Thank you, Mr. Speaker. It's my pleasure to submit the estimates and supplementary estimates, and accompanying them is a message from Her Honour the Lieutenant Governor.

The Speaker: — Would everyone please rise for the message from Her Honour the Lieutenant Governor. The message is as follows:

The Lieutenant Governor transmits the estimates of certain sums required for the service of the province for the 12 months ending March 31, 2003, and supplementary estimates of certain sums required for the service of the province for 12 months ending March 31, 2002, and recommends the same to the Legislative Assembly. (Signed), Honourable Lynda Haverstock, Lieutenant Governor, province of Saskatchewan.

Please be seated.

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

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

Motion agreed to.

Some Hon. Members: Hear, hear!

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

Hon. Mr. Cline: — Thank you, Mr. Speaker, and thank you to my colleagues for that warm welcome. And with your permission, Mr. Speaker, I'd like to take just a moment to introduce a few special people among the very large number of special people here today.

First I'd like to introduce my wife, Pauline Melis, who works at the University of Saskatchewan. And beside Pauline is our good friend, Laurence Osachoff, who farmed in the Blaine Lake area and who's also a retired public servant. Beside Laurence are our good friends Eileen Laverty and Marian Donnelly.

Eileen is a very talented singer and songwriter who lives in Saskatoon, and she has just returned from a tour of Ireland and is now negotiating a distribution deal for her beautiful music in Ireland.

Marian is the executive director of the Saskatchewan Recording Industry Association, which is doing a very good job for our vocal artists and musicians.

I'd like to welcome them and I'd like to welcome everyone, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, if I may, I would also like to take this opportunity to recognize someone who is not here today but who is probably watching from her desk. And I'm referring to Margaret Allan of the Department of Finance who for 25 years has been working as a senior administrative assistant and who served 10 deputy ministers of Finance. Tomorrow is her last day before a well-earned retirement, and I'd like to say thank you, Margaret.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I have the honour today to present my fifth budget, presented in a time of global economic uncertainty and amid unprecedented concern about the very security of communities. Challenging times demand of us all the courage, vision, and leadership not only to overcome the difficulties of today, but also to plan and prepare the way for a future of hope and prosperity.

There is no denying that the global economy has been changed by the events of last September and their aftermath. National economies have redirected billions upon billions of dollars to homeland security and away from other priorities. Consumer confidence, which had fuelled a decade of rapid economic growth, has been strained. No family, no company, no government is immune to the impact of these economic realities.

We in Saskatchewan are faced with the added burden of a devastating drought, lower oil and natural gas prices, the

ongoing softwood lumber dispute, and a national government which too often refuses to live up to its national responsibilities, particularly with respect to our largest industry, agriculture.

This combination of circumstances has resulted in total revenues for this budget year about to end to be \$84 million less than we had projected last spring. Our revenues for the coming year will be \$56 million lower than projected last year.

Other governments with different priorities have recently taken drastic actions in response to these new global economic realities. Saskatchewan people have taken note of decisions elsewhere which have slashed essential public services, eliminated tens of thousands of jobs, and demanded more from those least able to pay.

Mr. Speaker, this government is determined to take a different approach, a path of stability in a time of strife, a path that protects people today while still moving forward on a plan to build a better tomorrow for everyone in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Our province has the freedom to choose this different path thanks to Saskatchewan's tradition of planning for the long term. Two years ago when this government created the Fiscal Stabilization Fund and committed \$775 million to this rainy day account, some questioned this decision and suggested a multitude of ways to spend this money immediately.

This is not a year for large spending increases. In fact, once again this year our expenditures will exceed our revenues. In this sense, on a cash basis we are in a deficit situation as we were in 1995-96, 1997-98, and last year, and many other years in the history of Saskatchewan.

Mr. Speaker, governments have always drawn on savings from previous years to balance our books. Going back at least as far as the Liberal government of Premier Dunning in 1925, prudent governments have relied on stabilization funds as we will be doing this year. We will be balancing the books by relying on the savings built up in surplus years. Last year we used \$411 million. This year we'll use \$225 million, Mr. Speaker.

Mr. Speaker, no amount of long-term planning will forever shield us from difficult decisions and tough choices, and we have made many in this budget. This budget will hold the line on government spending while moving forward with new investments in key areas. Let me say how proud I am of our Premier and his determination to demand no more of others than he demands first of himself and his government.

That is why the Premier has announced a reduction in the number of government departments, a reduction in the size of cabinet and ministerial staff, and a reduction in government positions. With the new budget year, we will abolish more than 350 full-time equivalent civil service positions, but we will avoid reducing front-line staff that serve the public. This reorganization will save taxpayers \$40 million over the next two years.

But cost reduction is not the only objective. We're going to

change how government does business, making it more efficient and effective and improving access for people and organizations, businesses, and local governments. We will continue to do more to make government accessible electronically as we have done for tax filers and farmers applying for fuel tax rebates.

We will streamline government, Mr. Speaker, but without a heartless resort to massive layoffs of thousands of public servants. We are taking a reasoned, balanced approach, reshaping government as we move forward.

The tough choices did not stop with reorganization of government. Mr. Speaker, we will also introduce a number of changes in fees and charges to better recover costs, and we will introduce two tax changes related to alcohol and tobacco.

Effective midnight tonight, tobacco taxes will increase from \$2.15 per pack to \$4 per pack in order to raise revenue to help pay for health care and to discourage young people from taking up smoking.

Effective midnight April 1, the liquor consumption tax will increase from 7 per cent to 10 per cent, the same rate it was until 1991.

Other fees and charges will be increased marginally on a user-fee, cost-recovery basis. Some will be asked to pay a greater share of the cost of prescription drugs and long-term care and social housing, based upon and subject to their ability to pay.

But, Mr. Speaker, I want to make it perfectly clear that this year the budget for the prescription drug plan will increase 5 per cent to over \$120 million. Support for long-term care will increase 3 per cent to over \$337 million, and new investment will be made for the first time in several years in public housing.

Difficult circumstances have never stopped Saskatchewan people from moving forward, working together to build a better future for themselves, their families, and their communities. These challenging times are no different. This budget will help our province move forward in health care; education; modernization of our roads and information technology; building independence for families and children in need; building stronger, safer communities; building a stronger economy; and sustainable tax reform.

First, some words about health care, the number one concern and the biggest single expenditure of the provincial government — over 40 cents of every dollar spent.

That's why I'm proud, Mr. Speaker, to announce that this budget increases health-care spending by \$129 million . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, for a total investment of \$2.3 billion for our health care system in the coming year.

All provinces face increasing demands related to health services — higher drug costs, new technology, the need to recruit and retain health care providers — at a time when the federal

government provides only 14 cents of every health dollar spent in Canada compared to the 50 cents it used to pay.

Our Premier has called upon the federal government for more financial support, but he has also urged reforms to make the most effective use of human and financial resources.

In the meantime, Saskatchewan's Action Plan for Health Care offers immediate improvements and a long-term plan for change. This budget begins to implement the Action Plan for Health Care with \$10 million for upgraded medical equipment; \$24 million for capital improvements; increased base funding to begin to work on key initiatives such as: encouraging primary health care teams of doctors, nurses, and other health providers; a 24-hour toll-free telephone line for health advice; expanding support for seniors and people with disabilities who want to remain in their own homes; improving the management of waiting times; providing more training spaces for health providers, and return-service bursaries for students studying in selected health programs; upgrading the skills of 240 emergency medical responders to emergency medical technicians over the next three years; the creation of Canada's first Quality Council, to promote excellence and more effective health planning; the formation of 12 regional authorities to replace the current 32 health districts, reducing administration and improving planning.

Mr. Speaker, at the time of the release of the Action Plan for Health Care, the Minister of Health indicated the importance of health research to the future of health care in Saskatchewan, and he set a target of a 40 per cent increase in health research funding. Today I'm pleased to announce that we will be increasing health research spending in this budget, but not by 40 per cent, Mr. Speaker — by 80 per cent.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, we made a commitment to strengthen our health care system. In spite of these challenging times, we are going to make good on that commitment with this budget.

While health care is the number one priority today, education and training is the key to a more prosperous future. In the early 1990s, the government actually spent more each year on interest payments on the public debt than it could spend on education and training. That appalling fact has been remedied and reversed.

In the coming budget year, Saskatchewan will be able to invest about twice as much in the education and training of our youth — 1.2 billion — as we will have to spend on public debt interest payments. And that's as it should be, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — If only Saskatchewan had not been forced to spend so much of the '90s paying for the excesses of the '80s, just imagine how much better off we would all be today.

Mr. Speaker, renewed investment in Saskatchewan's education system is paying big dividends and the results are being recognized nationally and internationally. Recently Statistics

Canada reported that Saskatchewan enjoyed the lowest high-school dropout rate in the nation — a tribute to the hard work, vision, and leadership of our educators and their community-based partners.

Saskatchewan has the highest percentage of young people in Western Canada enrolled full-time in university — 23 per cent, above the national average of 20 per cent.

We're reaching out to children who need help through more community schools. In fact, Mr. Speaker, results of a national survey show that Saskatchewan has the most equitable education results in the country — the lowest difference in educational attainment as between children from high-income families and children from low-income families. That, Mr. Speaker, should be a source of pride for all Saskatchewan people.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — This year, Mr. Speaker, operational funding for K to 12 education, universities, SIAST (Saskatchewan Institute of Applied Science and Technology), and regional colleges, will increase 2.3 per cent. In addition, in these difficult financial times, we will move schools and universities forward in terms of the infrastructure needed to enable students to learn. Amounts available to school boards in this regard will increase more than 50 per cent in the coming year, while universities, SIAST, and regional colleges will be allowed to access over 60 per cent more than last year.

I want to make it clear, Mr. Speaker, that the government cannot pay for all of this construction in one fiscal year. We will amortize this cost over the years. Given current low interest rates and existing needs and the need to boost the economy, now is the right time to invest in more capital for education.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We are committed, Mr. Speaker, to doing more in terms of building schools than we can pay for in one year. There are those who will be critical of allowing mortgage-type financing for school boards and universities.

Mr. Speaker, we would not be critical of a family that expanded or built their house and paid for it over time. We would not expect them to have the cash to pay for it in one year. We would say that they had faith in their future. Well this government has faith in the future of this province; and the critics can stand by and criticize, Mr. Speaker, and while they do we're going to keep right on building.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We're moving forward, Mr. Speaker, with our partners in education in building and improving our schools for our future.

Mr. Speaker, we'll also meet our commitment to fix the roads. This budget invests \$300 million in our highways. We're on track to meet our 900 million, three-year commitment to upgrade them — the largest commitment to improve our roads and highways in the history of Saskatchewan, Mr. Speaker.

Twinning on major highways, the Trans-Canada and the Yellowhead, is progressing rapidly. We'll finish the Trans-Canada west to the Alberta border by the fall of 2004. But it's not just the national highways getting attention. This year we will reconstruct 150 kilometres of thin membrane surface highways in rural Saskatchewan to a paved standard, and resurface 370 kilometres.

In total, taking into consideration partnership projects and grading work, more than 700 kilometres of highways will see reconstruction and paving work this year, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We are currently partnering with 35 different municipalities on 18 different initiatives, to manage traffic on 460 kilometres of TMS (thin membrane surface) highways. Mr. Speaker, we made a commitment to fix the roads and in spite of these challenging times we're moving forward on that commitment.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Another commitment made in last year's budget was to bring the information highway, high-speed Internet, to rural Saskatchewan. In year one we've connected 530 schools, 120 health facilities, and 106 government offices. This year we'll add another 460 facilities towards our goal of 800 schools, 310 health facilities, and 256 government offices in more than 360 Saskatchewan towns, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And with that CommunityNet as the anchor tenant, SaskTel will be able to expand high-speed service to individual homes and businesses in 191 communities over the next two years.

This government is committed to the idea that every student should have equal access to the latest information, curriculum, and technology, whether they live in Regina or Shellbrook, Saskatoon or Tisdale.

We're committed to the idea that patients throughout the province should benefit from the latest health care technology, and that business people should be able to access the information they need to market their products and services, whether they live in our major cities or our rural communities.

We're committed to the completion of the CommunityNet program and the idea that rural Saskatchewan is entitled to information technology. And, Mr. Speaker, in spite of these challenging times, we're moving forward with that commitment.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, clean, safe drinking is a cornerstone of the health of individuals and families and vital to our economy. Tragic events across Canada and events here at home have shown safe drinking water must not be taken for granted.

That is why, in last year's budget, our government provided additional funding for new staff in water monitoring and compliance and funding for additional staff at the provincial lab to help monitor the safety of municipal water supplies.

We also provided assistance through the Canada-Saskatchewan-Municipal Infrastructure Program. More than \$12 million was contributed last year to 57 water supply and waste water projects.

The Municipal Financing Corporation will continue to provide 100 per cent financing for upgrades to water and sewer infrastructure.

And this year, we will finalize the government's long-term safe drinking water strategy following Mr. Justice Laing's report arising out of the North Battleford water inquiry.

Mr. Speaker, in spite of these challenging times we are moving forward with improvements to our water system.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Affordable, quality housing also is an essential aspect of a person's health, well-being, and quality of life. Good housing is the foundation of strong, vibrant neighbourhoods and communities.

The Saskatchewan Housing Corporation currently meets the housing needs of more than 67,000 lower-income Saskatchewan people in nearly 350 communities, but more can be done.

A framework agreement between the federal government, the provinces, and the territories has been developed to address the issue of affordable housing. This budget launches a five-year plan to build up to 1,000 new affordable housing units across Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, this is an area that is in need of public investment and we're moving forward to begin to meet the need.

Mr. Speaker, we value the role played by local governments in our province. We have partnered with them by doing more in the last few years to build infrastructure together — sewer and water systems and local roads — through the Canada-Saskatchewan-Municipal Infrastructure Program. We have contributed to 239 local projects at a cost of \$51 million in this budget and last year. We pioneered this infrastructure program and we will continue with it.

And this year, the Centenary Fund will continue to help our communities accelerate the modernization of our public infrastructure.

From the cleanup of contaminated sites, to new water and sewer services in the North, to expansions and renovations at our technical schools and regional colleges, to the upgrading of our parks and heritage properties, the Centenary Fund is helping to maintain jobs today while ensuring new opportunities for

tomorrow.

Mr. Speaker, even though our government holds the line in this budget on spending overall, I'm very pleased to announce that this budget will increase municipal revenue sharing by \$10 million, Mr. Speaker, nearly 18 per cent.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — But we'll be doing more, Mr. Speaker. This budget provides \$7.3 million in new money added to base funding of \$81 million to hire 26 new police officers in Saskatchewan communities, bringing the total number of additional police officers hired since 1999 to 132.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We've also freed up the time of police officers by committing to a 1.2 million annual program for the development of specialized RCMP (Royal Canadian Mounted Police) radio communication systems and mobile workstations. These systems allow officers to spend more time on the road and less time on paperwork.

Mr. Speaker, we made a commitment to strong, safe communities, and in spite of these challenging times we're moving forward on that commitment.

Some Hon. Members: Hear, hear!

(14:45)

Hon. Mr. Cline: — That commitment extends to all corners of this great province including northern communities. Northerners want better access to delivery of goods and services. This budget will invest more than \$34 million in highways and airports in northern Saskatchewan.

Northerners want better access to educational and training opportunities that many of us take for granted in more populated regions. This budget continues our commitment to Campus Saskatchewan which is helping post-secondary institutions work together to increase on-line learning opportunities for Saskatchewan people.

Northerners want access to more jobs and opportunities in health care. This budget provides \$756,000 in new funding for the northern health access program which will provide additional health care training opportunities. Mr. Speaker, in spite of these challenging times our commitment to the North is moving forward with this budget.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, five years ago in my first budget with our Premier as Minister of Social Services we introduced a program called building independence, a series of initiatives that support low-income families to participate in the workforce.

It includes training and employment initiatives, family health benefits, an employment supplement, and the Saskatchewan Child Benefit. These help to break down the welfare wall by

making it easier for people to leave welfare and find work.

A year after building independence was launched, Mr. Speaker, I canvassed hundreds of low-income housing units in my home constituency of Saskatoon Mount Royal. I went to them all. I was very gratified when, door after door, young women told me that the income top-up had allowed them to go to work and still care for their children.

Since 1997 more than 4,600 families, including over 10,000 children, have left the welfare rolls.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — This year our government will continue to expand the reach of building independence by providing an additional \$1.3 million in job supports for families, youth at risk, and people with disabilities. We will provide \$1.2 million to increase the availability of child care services for those most in need, and we will make the Saskatchewan employment supplement available to more low-income working families.

Mr. Speaker, we know that people living with disabilities face particular challenges with respect to self-sufficiency and independence. Last year the Saskatchewan Council on Disability Issues presented the government with a disability action plan containing recommendations to support full citizenship of persons with disabilities.

I want to reinforce our government's commitment to, and support for, this fundamental concept of citizenship and inclusion.

In response to one of these recommendations, Saskatchewan Health identified individualized funding for home care as an option that will be available in the coming year.

I'm also pleased to report that in addition to employment supports, this budget will also provide half a million dollars in new operating funding for transportation services to further enhance independence for Saskatchewan residents who live with disabilities.

Mr. Speaker, in spite of these challenging times, our government is committed to building stronger, safer, more prosperous communities for all the people of Saskatchewan, and with this budget we're moving forward on that commitment.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, I want now to turn to the great opportunities for continued economic development of our province.

Many of the things I've already talked about — public health care, public education, roads and highways, information technology, clean water, safe communities, an inclusive society where everyone is welcome to participate — all of these are part of building our economy.

But there's more to be done in agricultural diversification, tourism, the development of an ethanol industry, research and

development, investment, and personal and business tax competitiveness.

Mr. Speaker, Saskatchewan farmers are amongst the best in the world. They would excel with no problems if only allowed to compete on a global, level playing field. The drought, unfair subsidies by national governments in Europe and the United States which have made grain prices unrealistically low, and an inattentive federal government have placed Saskatchewan farmers in a very difficult situation.

Our government provides tax exemptions and rebates for farm fuel, fertilizer, machinery, and a number of other farm inputs totalling \$240 million for the coming year. And this year we will increase provincial funding for crop insurance from 95 million to 109 million, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Last year, we began a Conservation Cover Program that allowed farmers to convert marginal lands to perennial cover. It exceeded all expectations. Nearly 11,000 applicants converted more than half a million acres to grass and forage to feed their own livestock and, in many cases, sold feed to others.

That program will be continued this year, along with a \$4.4 million program for the family farm opportunities initiative which helps farmers assess their situation, improve their skill set, and undertake diversification and development initiatives on their farms.

Mr. Speaker, tourism is a vital and important part of Saskatchewan's economy. This year, in spite of challenging times, we will maintain funding to the Saskatchewan Tourism Authority in the amount of \$6.9 million to continue to work with its members and partners to support marketing, advertising, and travel counselling to further develop the tourism industry in Saskatchewan.

As previously announced, this budget will provide a 15 cent per litre fuel tax exemption for ethanol used in ethanol-blended gasoline produced and sold in Saskatchewan.

We hope to create new jobs and significant new private investment for ethanol production facilities, integrated livestock feedlot operations, and other developments for the agricultural industry.

We believe, Mr. Speaker, that Saskatchewan is ideally suited to take advantage of a grain-based ethanol industry. Ethanol is a clean burning, environmentally friendly fuel and we are moving forward, Mr. Speaker, with a pioneering ethanol strategy.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, Saskatchewan's Partnership for Prosperity strategy sets a target for our province to become a world leader in research and development.

As home to Canada's only synchrotron, which is the largest single investment in scientific research in the history of Canada, we're moving forward.

Mr. Speaker, this budget commits almost \$132 million, directly or indirectly, for research and development initiatives. The government's R&D (research and development) expenditures are primarily focused in the areas of agriculture — including biotechnology — medicine and health care delivery, and natural resource extraction and processing.

Research expenditures include activities by government departments and agencies like the Saskatchewan Research Council. Money provided for research and development activities by third parties, mostly the universities; more than \$62 million in R&D activities at the universities funded through their operating grants; increased health research funding from 5.2 million to 9.2 million in this budget; and more than \$6 million in tax incentives to encourage private sector R&D in the province.

And in addition, Mr. Speaker, Crown corporations are actively involved in R&D related to their fields of business. We believe, Mr. Speaker, that research and development initiatives are vital to ensure Saskatchewan stays competitive and is at the leading edge of technological advances.

Mr. Speaker, this government has taken a number of steps to help Saskatchewan businesses be more competitive. We've reduced the small business income tax rate by 40 per cent, and the level of income to which this rate applies has been increased from \$200,000 to \$300,000.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We've also introduced a number of important targeted tax changes that have assisted specific segments of the provincial economy, including manufacturing and processing, the film industry, and our natural resource sector.

A recent KPMG survey comparing cities from all over the world ranked our province's four largest cities as very cost competitive places to do business. Saskatoon ranked second in a survey of 17 major cities in the Canadian and US (United States) Midwest; ahead of Calgary, ahead of other major Canadian cities, including Vancouver and Toronto.

Even the Fraser Institute ranks Saskatchewan the third best province in Canada in which to invest, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — This budget simplifies tax compliance for small business by doubling the PST filing and remittance thresholds. About 3,000 Saskatchewan small businesses will benefit. It also introduces an important change to the corporation capital tax that focuses on Saskatchewan businesses and job creation. The current \$10 million threshold that exempts smaller Saskatchewan corporations will be increased by up to 50 per cent to as high as \$15 million, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — About 100 additional Saskatchewan corporations will be exempted from the corporation capital tax rolls, and all taxable companies will be encouraged to employ

more Saskatchewan workers. The increased exemption will apply based upon the proportion of total salaries and wages that are paid in Saskatchewan. If all of the wages and salaries are paid to Saskatchewan residents, then 100 per cent of the additional \$5 million exemption will apply.

This change will result in Saskatchewan having the highest corporate capital tax exemption level of the nine provinces with the corporation capital tax, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — With this budget, Mr. Speaker, we continue to move forward to improve tax competitiveness for businesses in our province.

I want now to say a few words about personal taxes.

Mr. Speaker, in the 1999 budget address, I announced that we would appoint a committee to review personal income tax, that we would ask for a report by the fall, and that we would present a plan of action in the following year's provincial budget.

This announcement followed a series of reductions in the provincial sales tax which had reduced our rate by one-third, giving Saskatchewan, at 6 per cent, the lowest provincial sales tax rate in Canada among those provinces with a sales tax.

We appointed the committee. We received their report. We presented a plan of action, all within that one year.

On July 1, 2000, we reduced personal income taxes. On January 1, 2001, we abolished the flat tax. We abolished the high-income surtax. We abolished the debt reduction surtax. We reduced income taxes. We introduced the child tax credit. We introduced the senior's tax credit. We increased the basic personal credit. We increased the other credits.

On January 1, 2002, we cut personal income taxes again. We increased the child tax credit. We increased the senior's tax credit. We increased the amounts of the other credits.

Mr. Speaker, we have done what we said we would do.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We committed to lower personal income taxes, and families with children have received the biggest reductions. I'm proud to say that Saskatchewan is the only province in Canada with universal tax credits for dependent children and for seniors.

So far, income tax reform has put \$330 million per year more into the hands of Saskatchewan people. Fifty-five thousand low-income people are being taken off the income tax rolls altogether. The average family pays \$854 less in provincial income tax today than they did in 1999, and almost a full third less than they did in 1993 for a total saving of \$1,300 each and every year, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Our tax reform plan called for one more

round of personal income tax cuts to take effect next January 1. In these challenging times, some might expect us to put that further tax reduction on hold as other provinces are doing. Mr. Speaker, that will not be the case. I am pleased to announce that our budget will include \$78 million in further personal income tax cuts for Saskatchewan people effective January 1, 2003.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We gave our word, we will keep our word. And we will keep our commitment to end bracket creep. We will index tax brackets and tax credits so that Saskatchewan families will receive tax breaks every year, Mr. Speaker.

I am pleased to announce that this budget contains no increase in the provincial sales tax, no increase in personal income tax, and no health care premiums, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Now, Mr. Speaker, there are those who would say we should cut taxes even more. They claim that it's not enough to reduce personal income taxes by one-third, to cut the provincial sales tax by one-third, and to decrease small business income tax rates by 40 per cent. They refuse to acknowledge this progress and they say, trust us, we can cut your taxes even more and still improve public services without running a deficit budget.

Mr. Speaker, there is a basic rule which police often use to warn consumers about the latest scams and fraudulent schemes that often hit our communities. They tell people: if it sounds too good to be true, it probably is.

Some Hon. Members: Hear, hear.

Hon. Mr. Cline: — Mr. Speaker, a budget is a good time to talk about debt. I want to repeat our position on debt beginning with the distinction between Crown debt on the one hand and operating debt on the other.

Crown corporations, as a matter of course, have some level of debt. They build power lines, take high-speed Internet throughout the province, and so on. These are infrastructure investments, the cost of which should be amortized and paid for over time by those who will use and benefit from them. This is self-liquidating debt and is quite appropriate.

On the operating side, debt to pay for day-to-day operations is not usually a good thing. Debt to build public infrastructure for today and tomorrow may be. Here too we should aim for a reasonable approach. Public debt does not have to be zero. It should be some reasonable percentage of the gross domestic product. Our tax-supported debt has gone from 41 per cent of GDP in 1993 to 23 per cent today. Interest costs have gone from a high of \$882 million to a low of \$621 million last year.

Saskatchewan currently has the third lowest debt-to-GDP ratio among the provinces. In the near future, the Department of Finance will be researching the possibility of targets for public debt as a percentage of GDP.

Mr. Speaker, we have gone from being one of the worst

provinces in Canada when it comes to debt to being one of the best.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Let me repeat, Mr. Speaker. We are now one of the best, and our position relative to other provinces is improving as they go into large deficits. That is why Saskatchewan has received nine credit rating upgrades since 1995.

We committed to getting our debt under control. We did it. We're committed to doing more, and we'll continue to move forward on that commitment, Mr. Speaker.

Mr. Speaker, I began this address recounting the economic challenge. I am confident we will meet that challenge. Private sector forecasters agree. They see Saskatchewan's economy growing by 1.6 per cent this year, and 3.2 per cent next year.

Statistics Canada's annual survey of investment plans sees an increase of 9.3 per cent in capital spending for 2002, the highest rise in investment in Canada, Mr. Speaker, including a tripling of investment in manufacturing.

CMHC (Canada Mortgage and Housing Corporation) projects a 26 per cent increase in housing starts for Saskatchewan. There are 10,000 more people working than two months ago.

Mining, forestry, value-added and diversified agriculture, oil and gas expansion, information technology, and ag biotech will continue to move us forward.

And we heard at the beginning of today's proceedings about the optimism of several towns in Saskatchewan for the upcoming year. Mr. Speaker, while I am pleased to hear the forecasts of the experts, I'm even more pleased with the confidence shown by Saskatchewan people.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, in three short years Saskatchewan will celebrate its centennial as a Canadian province.

In Saskatchewan's near century, we have survived two world wars, one horrible prolonged drought and depression, and a few other bumps along the way, and we have always come out the better on the other side. We have moved forward.

Over the years our society and our culture have become richly varied. Our economy has become diversified and better able to withstand those bumps.

Mr. Speaker, in this past year, other peoples in other parts of the world have suffered much more than a small bump in their economy. We are fortunate to live in this land and this province, as a glimpse at any newscast will remind us.

I do not wish to divert attention from our very real challenges, but I do suggest we put them in some perspective as we count our blessings.

Our government remains committed to not only meeting the challenges of today but also to making the decisions which will help our province and its people greet its second century with new optimism and new hope for even greater prosperity and opportunity.

Therefore, Mr. Speaker, I move, seconded by the Premier:

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

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you very much, Mr. Speaker. Mr. Speaker, it is indeed a pleasure to rise on behalf of my colleagues, the official opposition, to respond to the budget speech presented by the Finance minister this afternoon.

Mr. Speaker, before I do that, I do want to acknowledge some people that are not present today that are probably watching television. And I want to begin, Mr. Speaker, by recognizing three very important people in my life.

Now as members of the legislature — and I'm sure I speak on behalf of all members here — as we try to fulfil our roles as Members of the Legislative Assembly, as members representing constituencies, many, many people have to assist in that process if we too are . . . are to do a good job.

And this afternoon — I know she's not watching because she is teaching in the Invermay School — I would like to recognize my wife, Gail, and my daughter, Lindsay.

Lindsay's in grade 12 this year and she's a very good student. I was unable to attend her drama night last week in Invermay but on the weekend I had the opportunity to attend the regional drama competition in Yorkton. And I'm pleased to say that she was given a plaque for acting ability. So I want to congratulate her for that.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Those are the things we miss . . . those are the things we miss, and those are the things that I'm sure members opposite who have had children go through those things also understand when we say we're sorry for not being able to attend.

You know, Mr. Speaker, another person who has . . . and I just realized this when I'm working on my income tax this year, Mr. Speaker. I finally got to the column that said number of dependant children and I had to subtract one, my son Bryce. My son Bryce is a teacher in Strasbourg and I understand now that he has full-time employment he's no longer a dependant. Well I'll tell you, Mr. Speaker, that's not quite true — that's not quite true.

And I'm sure all those with children understand that as well. I want to thank them for their support, and their love, and continued encouragement. Also, Mr. Speaker, my father and my stepmother, Peter and Sophie Krawetz, are watching, I'm sure, back in Invermay. And I want to thank them for their love and support as well.

My final person that I want to recognize is a young lady in the city of North Battleford. Young, because I understand 2002 marks the year that she's going to turn 88. And this is a lady who is extremely active in her community, who has, over the years, shown a tremendous love for the province of Saskatchewan, and I want to thank Edna Pollock for all her encouragement as well.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Mr. Speaker, I also want to indicate to the . . . my colleagues sitting on the floor of the Assembly and all of our guests on the Assembly floor and in the gallery, that my remarks will be brief this afternoon to allow the proceedings to continue on later on. So I ask them to bear with me and remain in their seats while I make some brief remarks.

Mr. Speaker, for nearly a decade we've heard over and over again from this government that they are bound by fiscal responsibility and budgeting transparency. Perhaps, Mr. Speaker, under the former premier that may have been true to some extent. We will let history decide on that.

But what is clear from the document that has been laid before us today is that any pretense of fiscal responsibility and budgeting transparency is out the window under the current Premier and Finance minister.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Mr. Speaker, in the fiscal year that will end on Sunday, the government will run a budget deficit in the range of \$500 million. In the budget that has been presented today, it appears the budget deficit again will be hundreds of millions of dollars — perhaps as much as \$700 million when everything shakes out a year from now. And that's only if you accept all of the revenue projections contained in this document, which many will find hard to swallow.

Mr. Speaker, the government continues to claim a balanced budget. The numbers, however, say otherwise. In fact, the minister has begun a new tradition, Mr. Speaker, adding hundreds of millions of dollars to the debt of the province and then trying to sweep it under the rug. That's what happened last year and it's happening again right now

We see that the government is using \$225 million from the so-called Fiscal Stabilization Fund to balance the budget. This is a fund that exists only as an accounting entry; it's a mirage. Budget analysts say it, bond rating agencies say it, economic forecasters say it as well. They say the same thing. This is an accounting entry that does not exist and when it is used to balance a budget, you actually have a deficit.

So there is a deficit — that's been well established. But how big is the deficit?

On top of the \$225 million from the Fiscal Stabilization Fund we see that the government has taken the extraordinary step of removing nearly \$90 million from these financial statements and they have moved it to the Crown sector. They have moved nearly \$90 million in education capital spending off the books to further obscure their massive deficit. It doesn't add up.

(15:15)

On top of this, Mr. Speaker, we see some revenue projections that simply don't make sense. Projections on revenue from some of the natural resource sectors seem out of line with reality and probably won't stand up. Again, it doesn't add up.

Mr. Speaker, what we do know is that this province is staring at a massive deficit. What we do not know is that exact size of the deficit, because the government continues to use two sets of books with 40 per cent of the government activity unaccounted for in this document.

By our estimate, this year's deficit will be between 400 million and \$700 million, depending on how well the Crown sector does this year. If the Crown profits fall short of projections, then the massive \$300 million dividend to the provincial budget will have to be borrowed, driving up overall debt.

That's the first part of this budget, Mr. Speaker, the massive deficit and the fact that this document simply doesn't add up.

The second part is the utter lack of faith and optimism the government has for Saskatchewan's economic future. We continue to see absolutely no evidence that this government has any plan or any desire to turn our economy around and begin to grow Saskatchewan.

What they continue to plan, with huge investments of Saskatchewan taxpayer dollars, is in the infrastructure of Australia, Mexico, Chile, and Atlanta, Georgia. They are in fact planning a decline of Saskatchewan.

Mr. Speaker, we see the tax revenue from the private sector in Saskatchewan is projected to continue to decrease, signalling the government's belief that we will have fewer businesses and fewer employers. The NDP in this document has shown that they have lost complete faith with the private sector in Saskatchewan, the driver of job creation in any economy in the world.

Their own budget suggests only 500 new jobs will be created in Saskatchewan over the next year — 500 jobs, Mr. Speaker.

The people of Saskatchewan deserve a message of hope and optimism. With the natural advantages we have in Saskatchewan, with the talent born here, why should we be planning the decline of our great province?

We should be among the leaders of the Canadian economy, but we are not, and it appears the government doesn't expect we will be. They have no plans to grow the economy, which is the only way to cure the current financial problems the government faces. If we are to work our way out of this return to massive deficits, we need to broaden our economy, we need more people in the province to share the load, and most of all, Mr. Speaker, we need a plan to get this done.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Neither in the Throne Speech nor in this budget document do we see this.

Mr. Speaker, we have seen the members opposite point a lot of fingers at others for the problem this province faces. Now they have only themselves to blame.

Mr. Speaker, there are so many departments to make comment on and I would reserve those comments to tomorrow. And at this time, I would like to move that we adjourn debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

Resumption of Budget Debate

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. I move, seconded by the member from Moose Jaw North:

That the debate on the motion that this Assembly do now resolve itself into the Committee of Finance be resumed on Thursday, March 28, 2002.

Motion agreed to.

The Assembly adjourned at 15:21.