

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. Mr. Speaker, I have a petition to present on behalf of residents of Saskatchewan. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with aboriginal and Metis leaders and wildlife and sportsmen organizations in the province of Saskatchewan in an immediate effort to end the destructive and dangerous practice of night hunting in the province for everyone regardless of their heritage.

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

Mr. Speaker, the signatures to this petition are from the city of Saskatoon, Prince Albert, and the community of Vanscoy. I so present.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I also have petitions. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to cancel any severance payments to Jack Messer and to immediately call an independent public inquiry to find out all the facts surrounding the Channel Lake fiasco.

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

These petitions come from the Moose Jaw and Regina area, Mr. Speaker.

**Mr. Toth:** — Thank you, Mr. Speaker. To present petitions as well and to read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to reach necessary agreements with other levels of governments to fund the twinning of the Trans-Canada Highway in Saskatchewan so work can begin in 1998, and to set out a time frame for the ultimate completion of the project.

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

And this petition is signed by individuals from the Eastend area.

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

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to cancel any severance payments to Jack Messer and to immediately call an independent public inquiry to find all

the facts surrounding the Channel Lake fiasco.

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

The communities involved, Mr. Speaker, are the town of Watson and the town of Quill Lake. I so present.

**Mr. Heppner:** — Thank you, Mr. Speaker. I too rise to present a petition and I read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to cancel any severance payments to Jack Messer and to immediately call an independent public inquiry to find all the facts surrounding the Channel Lake fiasco.

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

And these are signed by people from Melfort and Star City. Thank you.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. I also rise to present a petition on behalf of the people of Saskatchewan. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to put an immediate halt to all investment in foreign countries by all Saskatchewan Crown corporations and instead invest Crown corporation profits in Saskatchewan.

The people that have signed this petition, Mr. Speaker, are from the communities of Carnduff and Alida.

**Ms. Draude:** — Thank you, Mr. Speaker. I also have a petition to present today.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to cancel any severance payments to Jack Messer and to immediately call an independent public inquiry to find all the facts surrounding the Channel Lake fiasco.

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

The people that have signed this petition are from Langbank, Kennedy, and Watson.

**Mr. Boyd:** — Thank you, Mr. Speaker. I too have a petition surrounding the whole issue of Channel Lake and Jack Messer that I'm pleased to present on behalf of people here today. These folks come from Regina and Yellow Grass and I'm pleased to present on their behalf.

**Mr. Osika:** — Thank you, Mr. Speaker. I also present a petition on behalf of the citizens of Saskatchewan. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be

continued.

And the signatures on this petition, Mr. Speaker, are from Limerick, Fife Lake, Crane Valley, Assiniboia, and Bengough. I so present.

**Mr. Hillson:** — Thank you, Mr. Speaker. Mr. Speaker I present a petition today which reads as follows:

Your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains hospital by enacting legislation to prevent its closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be continued.

Your petitioners, Mr. Speaker, come from Swift Current, Saskatoon, Cabri, and Neidpath. I so present.

**Mr. Aldridge:** — Thank you, Mr. Speaker. I too rise to present petitions on behalf of citizens concerned about the Plains Health Centre closure. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be continued.

As in duty bound, your petitioners will ever pray.

And, Mr. Speaker, those that have signed this petition are from the south-west of our province. I so present.

**Mr. Belanger:** — Thank you, Mr. Speaker. I also rise to present a petition.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be continued.

As in duty bound, your petitioners will ever pray.

And the people that have signed the petition, Mr. Speaker, they're from Hafford, from Saskatoon, and from Speers, and from all throughout the land. And I so present.

**Mr. McLane:** — Thank you, Mr. Speaker. I too have a petition to present today on behalf of the people of Saskatchewan.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be continued.

Mr. Speaker, this petition has been signed by the good folks in the city of Swift Current.

**Mr. McPherson:** — Thank you, Mr. Speaker. I join with my colleagues here today in bringing forward petitions to save the Plains hospital. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be continued.

As in duty bound, your petitioners will ever pray, Mr. Speaker.

People that have signed the petition are from Limerick, Assiniboia, Rockglen, Coronach area of the province. And I might add this would bring the petitions near the 100,000 mark, that have been presented in this House to date. I so present.

**Mr. Goohsen:** — Thank you, Mr. Speaker. I'm happy today to present petitions on behalf of the people of Saskatchewan.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to reach necessary agreements with other levels of government to fund the twinning of the Trans-Canada Highway in Saskatchewan so that work can begin in 1998, and to set out a time frame for the ultimate completion of the project with or without federal assistance.

As in duty bound, your petitioners will ever pray.

And I'm happy to present these, Mr. Speaker, on behalf mostly today of the people from the community of Abbey, Saskatchewan; and of course a few from Cabri and Hazlet.

#### READING AND RECEIVING PETITIONS

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

Of citizens of the province petitioning the Assembly to begin construction of the four-lane Trans-Canada Highway between Gull Lake and the Alberta border; petitions to fund the twinning of the Trans-Canada Highway; petitions to save the Plains Health Centre; petitions to end the practice of night hunting; petitions to cancel severance payments to Jack Messer, and to call for an independent public inquiry surrounding Channel Lake.

#### INTRODUCTION OF GUESTS

**Mr. Thomson:** — Thank you, Mr. Speaker. I don't know where to start. But I think rather than introducing many of the distinguished guests and friends who are joining us on the floor today, I would like to introduce to you and members of the Assembly, a group of high school students who have joined us today in the government gallery. They're a group of grade 12 students from Campbell Collegiate brought here with Mr. Dan Fletcher. It's an annual event for Mr. Fletcher to bring his social studies class here to watch the legislature at work, perhaps on

one of its most important days, and exercising one of the most important democratic traditions.

So if you'd join with me in welcoming them, I would appreciate it.

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, it's my pleasure today to introduce to you and through you to all members of the Assembly and all of our guests, a special person seated in your gallery — as all the people here are special — but Jean Shepard is one of the legends of country music and she is with us here today. And, Jean, if you would just stand up and be recognized.

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

**Hon. Mr. Lingenfelter:** — I say that Jean is a special guest because as you will know, she has been one of the legends of country music and a member of the Grand Old Opry for many, many years. And while I consider myself to be a country western fan, I say a special greeting on behalf of my desk mate and our Premier, who is the country western fan of Saskatchewan.

During her illustrious career, Jean has recorded more than 35 albums to her credit, had several number one hits. Her voice is much appreciated in the business and among her fans. Now Jean is here in the province for a special reason because she's hosting the Country Music Association's Annual Awards this Sunday night in Prince Albert.

So, Jean, I would really want to welcome you here today, with your husband Benny Birchfield, who in his own right is a country western artist as well. Welcome to the province and welcome to the legislature. Great to see you here.

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

**Mr. Osika:** — Mr. Speaker, if I may, by leave of the Assembly, I'd like to extend a sincere welcome to everybody that chose to be with us here this afternoon. On behalf of the Liberal caucus, the third party, I see that there are friends here from my constituency, representatives of district health boards. We have some very prominent people in the Assembly today, Mr. Speaker. And without naming each and every one, I want to acknowledge their presence to be with us here today and I thank them for being here. And I'm sure all of my colleagues will join me in offering them a very, very warm welcome to be with us here today on this important day. Thank you.

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

**Mr. Krawetz:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of the official opposition, I too would like to extend a very warm welcome to all of the visitors here today from all across Saskatchewan. We know we have very many different organizations and governments represented and we want to welcome you to the legislature this afternoon.

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

**Mr. Goohsen:** — Thank you, Mr. Speaker. I'm happy to

introduce to you and through you today, 12 students from the Abbey School and their teacher, Alan Colpitts. I trust the notice that I have that they're here because I haven't been able to find them, but there's such a crowd here I know they're here somewhere. I'd love to have everybody welcome them. They've probably come two-hundred-and-some-odd miles through adverse conditions and we're happy that they've arrived.

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

## STATEMENTS BY MEMBERS

### House Proceedings

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Mr. Speaker, the Saskatchewan Party has decided to allow the government to deliver its budget today during ministerial statements. Of course, that means the official opposition, the third party, the independent members, will be given equal time to respond. And I know that you will see that all members of the opposition in their seats are listening with great interest to the minister as he delivers his budget speech. I hope the NDP (New Democratic Party) members will extend the same courtesy when opposition members are speaking.

As you know, Mr. Speaker, this hasn't always been the case. Last year when the official opposition was delivering its response, we saw a number of NDP members and supporters get up and leave. Mr. Speaker, I just want to make the point that all members of the opposition will be in their seats to listen to the Finance minister, and we expect the same courtesy from the members and the supporters of the NDP.

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

### Prince Albert Credit Union Expansion

**Mr. Kowalsky:** — Mr. Speaker, this being budget day, it's especially a pleasure to bring good economic news from Prince Albert. Daryl Snider, president of the Prince Albert Credit Union, recently announced a \$3 million expansion to its facilities. Mr. Snider said, and I quote:

We believe this announcement is yet another clear demonstration of our commitment to the Prince Albert community.

When finished, the expanded building on 28th Street and 2nd Avenue West will house the Credit Union business centre, the teleservice staff, and regular South Hill operations. The Prince Albert Credit Union will also have a new, computerized banking system up and running this fall, and Sid Adams, Credit Union general manager, said employees will be retrained to accommodate changes with no job losses.

He further said the renovations are a key move for the Credit Union to position itself for the new millennium. Obviously, Mr. Speaker, our credit unions believe the progress seen in the past few years in Saskatchewan will continue into the new millennium and, Mr. Speaker, I along with my colleagues on this side of the House, intend to continue our work to see the progress seen in the last few years in Saskatchewan continued into the 21st century and beyond.

For the Prince Albert Credit Union, that means more clients, more business, and better services based on public confidence. My congratulations to the Prince Albert Credit Union board, staff, and management.

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

### Channel Lake Pollution

**Mr. Hillson:** — Yes, thank you, Mr. Speaker. This afternoon I want to tell you about the aquatic life of a small polluted lake in northern Saskatchewan called Channel Lake. This lake, Mr. Speaker, has a number of unusual fish species. The largest used to be the Conservative catfish. This fish once ruled the lake. It is primarily a bottom feeder. Mr. Speaker, environmentalists were concerned that it was becoming extinct. In a plan to revive it, they have recently changed the name.

Another species, Mr. Speaker, is the red sucker. They appear to be numerous at the moment but long-term projections for their survival are bleak.

Finally, Mr. Speaker, there was the jackfish. This fish was a terrible “messenger”. This fish pretended it was a red sucker and liked to boss the other red suckers around. The red suckers gave him everything he wanted until they realized he was destroying their own chances of survival.

They tried to give the jackfish one last, enormous feed in the hope that he would quietly leave the lake. But rather than clear the water, the departure of the jackfish has made the lake murkier and smellier than ever. The Liberals say, let’s get to the bottom; let’s drain the lake; let’s find the true source of the pollution.

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

### SaskEnergy’s Commitment to Science Education

**Mr. Wall:** — Thank you, Mr. Speaker. As you are aware, March 16 to 22 is Education Week in Saskatchewan. Yesterday morning the Deputy Premier announced that SaskEnergy will reaffirm its long-standing commitment to science education for Saskatchewan youth through a \$150,000 investment.

Seventy-five thousand has been designated for the Saskatchewan Science Centre to assist in developing a new, permanent energy exhibit. This will provide a forum in which children can get excited about and interested in learning about energy. Another 75,000 has been committed to provide sponsorship for science fairs for the next three years.

Saskatchewan students have always competed at a high level. And the allotment of 25,000 per year will help our students to continue and expand this proud tradition. SaskEnergy has committed substantial funds towards the promotion of science and education for Saskatchewan youth. In addition, SaskEnergy employees from across the province are involved in volunteering for science fairs and other community partnerships.

Mr. Speaker, as we approach the 21st century our labour force will become more technologically based. By providing our

youth with the opportunities of strong scientific backgrounds, we are ensuring they can compete at the highest of levels in the job markets of tomorrow.

Once again I’d like to thank SaskEnergy for their commitment to scientific education. Thank you.

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

### Billabuster

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I don’t know whether you’ve seen today’s *Star-Phoenix* or not, but I want to congratulate the *Star-Phoenix* — I believe it’s a Conrad Black paper — for an excellent example of balanced journalism on today’s front page. The one headline reads: “Holding the floor; legislature’s agenda derailed in protest.” And I think it’s an excellent article about the Saskatchewan Party’s “billabuster” over Channel Lake.

And right next to that article, right next to that article, Mr. Speaker, is an equally excellent article about the NDP’s response: “Chimps go bananas after early wake-up call.”

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

### New Era in Grain Storage

**Mr. Renaud:** — Thank you, Mr. Speaker. This is a good news announcement relating to the new era in grain storage and handling.

I would just like to mention that there is some cause for nostalgia as the growth and changes in our economy also brings changes to the Saskatchewan landscape.

United Grain Growers has announced that it plans to construct a \$9 million high through-put elevator in Valparaiso. The facility will have storage capacity of 18,200 tonnes; it will have the capacity to load 104 rail cars in a mere 48 hours.

UGG (United Grain Growers) plans to make the new elevator one of the primary servers in the north-east part of our province. Construction is to begin later this spring and will employ 65 people during this phase. Eleven full-time jobs will be created to staff the high through-put elevator, and by the summer of 1999 the new concrete elevator will be fully operational.

Mr. Speaker, our government has always had faith in the people of Saskatchewan. UGG’s \$9 million investment shows that corporations share our confidence in the people and in the economy of the best province, and in the best country in which to live. Thank you.

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

### Tory Studies

**Mr. Osika:** — Thank you, Mr. Speaker. Mr. Speaker, I think it’s important today that the new Tory caucus provide for this House a study indicating how many studies they would like to see conducted.

The Finance critic for this lot met with the media this morning to provide an embargoed response to today's provincial budget — and I'll be careful not to get into the details of the budget, Mr. Speaker.

But when questioned what the new Tories would do about taxes, he suggested that only a study would best determine what taxes should be cut.

When questioned about health care, he suggested a study would best determine if there are problems in the health care system.

When questioned about the Plains Health Centre, he suggested that would have to be part of the study to determine whether there are problems in health care.

Well, Mr. Speaker, the people of Saskatchewan, and the Liberal opposition, don't need a study to show that health care is in crisis. We don't need a study to prove that the Plains Health Centre is needed. The Plains Health Centre must be saved.

We don't need a study to prove that families are being gouged by our Crowns. These are things that you know if you're truly in touch with the people and you're listening to what they have to say. To the new Tories I say, turn up the volume. Or perhaps you'll like to study that first as well.

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

#### **Funding for Medical Research**

**Ms. Lorje:** — I have good news — good economic news from Saskatoon. Late last week the Minister of Health announced \$200,000 in funding to support eight research projects associated with the College of Medicine at the University of Saskatchewan. Not only will this additional investment help support current research, it will help U of S (University of Saskatchewan) researchers to compete for future grants from the Medical Research Council. Saskatchewan Health has contributed more than \$4.6 million in '97-98 to support health research. This funding represents a 47 per cent increase in external health research funding since 1991-92. This is a clear commitment on the part of our government to health research in Saskatchewan.

In addition to this announcement, the very next day the Minister of Economic and Co-operative Development announced that \$1.5 million is being provided through the strategic initiatives fund for a new biotechnology initiative at the University of Saskatchewan. This initiative is part of our government's commitment to a strategy of investing in innovation to create jobs.

It will ensure that a stream of well-qualified graduates will be available to support local biotech industries.

The strategic initiatives fund helps Saskatchewan develop the infrastructure and the skill needed for the economy of the future. This fund does not finance individual projects, it helps strategic training programs and . . .

**The Speaker:** — The hon. member's time has expired.

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

#### **ORAL QUESTIONS**

##### **Premier's Alleged Remark in the House**

**Mr. Krawetz:** — Thank you, Mr. Speaker. My question is for the Premier. Mr. Premier, yesterday in this House, you made an inappropriate and offensive remark about other members of this Assembly. You know what you said. You know it was over the line. And you know the right thing to do.

Mr. Premier, you've been here a long time. And I think you have more respect for this place than what you showed yesterday. Will you do the right thing today and apologize?

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

**Hon. Mr. Romanow:** — Mr. Speaker. I'm going to answer this question by posing a question. Knowing full well what the Liberal member from the Battlefords said publicly about the alleged remark and what the member from Regina said about the alleged remark, my question to the acting leader of the so-called Saskatchewan Party is this . . . the really Conservative Party. If you heard what you say you heard, tell the House why it is that you didn't get up on a point of privilege at the first opportunity and raise it with the Speaker while I was here and you were there. Why did you not do that? And why did you instead never raise it in this House except to go outside on television to make up that allegation?

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

**Mr. Krawetz:** — Mr. Speaker, yesterday the official opposition exercised its right to hold up the business of this House by ringing the bells, a tactic used effectively by the Premier himself in 1989 when he was leader of the opposition.

And how did the Premier respond to the question, exercising its legitimate legislative rights? He called us "brown shirts" — "brown shirts," Mr. Speaker. A clear reference to fascism and naziism. And then he sent the Provincial Secretary out to take the fall for him.

Mr. Premier, the Provincial Secretary did the right thing and we accept his apology. Mr. Premier, the Provincial Secretary wasn't the only person who made that remark. Will you follow his example and apologize to this House?

**Hon. Mr. Romanow:** — Mr. Speaker, I've indicated outside the House and inside the House that I did not make the remark that the member refers to.

But it's significant to note that he didn't answer my question. If you were so offended, why didn't you get up and raise it on a point of privilege when you should have, as the rules dictate you should do? And I'll tell you why you didn't do it. Because it didn't happen and you know it didn't happen. What you did is, you went outside and you made it up.

And don't say that what we did in 1979 even approximates what you're trying to do with the budget. What your member behind you did was draw a line in the sand. You have said —

and so far as we know this is the situation of this moment — you would not allow this budget to be read today. That's your line in the sand. That's what your member behind threatened.

You tell me that's democracy. I say that is a high act of undemocracy.

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

### Tax Relief

**Mr. Gantefer:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Finance. Mr. Minister, today is budget day and everyone in Saskatchewan is asking the same question. Will the NDP continue to gouge us with sky-high personal, corporate, and sales taxes? Will the government continue to bombard us with increasing power bills, higher natural gas charges, higher vehicle insurance costs?

Mr. Minister, your government's approach to balancing the budget has been to gouge Saskatchewan taxpayers at every turn. In today's *Leader-Post* you admit your government has pushed taxes through the roof in this province. Mr. Minister, are you going to get serious about reducing taxes this year or is it going to be more of the same empty NDP rhetoric followed by more crushing taxes and utility bills?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I want to tell this House and the people in this House who know it, and the people who may be watching on television who know it, thanks to their hard effort and cooperation and support, we have overcome a huge mess which we inherited in 1991 created by those people over there, where this province was on the verge of bankruptcy.

We are now on the right track. We still have a debt of \$12 billion, thanks to those people opposite there. We're paying \$770 million a year in interest payments. And last year we reduced the sales tax by two points. We are on a track, which is the correct track, of now saying to the people of Saskatchewan, we've been able to now see some daylight and to provide opportunity for themselves, their families, their homes, their hospitals, their roads.

We are rebuilding Saskatchewan after nine years of destruction by that Tory Party over there.

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

**Mr. Gantefer:** — Mr. Speaker, the minister is always talking about creating jobs. Well here's a little piece of untendered advice — the kind that the NDP like most. If you are serious about creating good jobs, making the province more competitive and growing the economy, then cut taxes — plain and simple.

Mr. Minister, you admit in the media this morning that your government has already driven taxes up so high in Saskatchewan that it's going to take awhile to bring them back down. Well, Mr. Minister, you don't have much time left. People in businesses are voting with their feet. They are leaving for Alberta, where the NDP can't pick their pockets.

Mr. Minister, will you be announcing today, specific, long-term plans to cut taxes for people and businesses in Saskatchewan, or will there be more of the same?

**Hon. Mr. Romanow:** — Mr. Speaker, I don't know where the hon. member from Melfort has been living, on what planet he's been living the last 10 or 15 years, but ever since we assumed office in 1991 — notwithstanding the strait-jacket that the people of this province were imposed upon; a strait-jacket of \$15 billion and the highest debt of any province in Canada — ever since we assumed that, we've provided tax cuts on a selected basis to business all the time. There's been a tax reduction in every budget even during the dark, dark days of deficit.

The facts are that more people are working in Saskatchewan today than ever before. The facts are that the people of the province of Saskatchewan are now seeing an in-migration. During your period it was a vast out-migration to Alberta because of your mismanagement and your deeds.

The facts of the matter are that more people today are working in Saskatchewan than ever in the history of this province since 1905. We're on the right track. We're doing the right thing for the people of Saskatchewan.

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

**Mr. Gantefer:** — Thank you, Mr. Speaker. Mr. Speaker, yesterday the Toronto Dominion Bank predicted a downturn in the Saskatchewan economy for 1998. One of the reasons was the bank's estimate that oil prices will average no more than \$15 a barrel this year.

In today's *Leader-Post* you are reported as saying, the government expects oil prices to average \$18 a barrel. Mr. Minister, even the most optimistic industry analysts are predicting oil prices won't move past the \$16 price this year.

Mr. Minister, are you basing your oil revenue projections in this year's budget on clearly unrealistic estimate of 17.50 to \$18, as mentioned in the paper this morning, or more realistic industry standards?

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

**Hon. Mr. Romanow:** — Mr. Speaker, I'm proud to say — of the many things I'm proud about this government's accomplishments since we assumed office in 1991 — I'm very proud to say that our projections of estimates with respect to revenues . . . and by the way, our projections with respect to expenditures have been pretty well bang on since 1991. They haven't been identical, but they've been pretty well bang on.

These are projections and they have been cautious, and they've been moderate, and they remain that way, and they've permitted us to balance the budget and to eliminate the deficit. Now with respect to this year, we followed the same model with respect to oil projections. In fact yesterday the value of oil went up about a dollar, I think it was. Even the Premier of Alberta, Premier Klein, said that he has to be aware of this factor, and so do we have to be aware of this factor.

Here you are criticising us about the possible loss of revenue, of oil revenues, while at the same time you're going to be going around outside there after the budget saying that we should have cut the budget taxes by \$200 million in the absence of revenue and somehow spend more and somehow balance four budgets. I tell you, anybody who would buy that would re-vote back in the Conservative Party. Not in your lifetime will the Conservatives be re-elected to the treasury benches on that kind of forecast.

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

#### Plains Health Centre Closure

**Mr. Gantfoer:** — Thank you, Mr. Speaker. Mr. Minister, over the past few weeks we have seen two members of the Regina Health District Board of Directors call for the government to reverse its decision to close the Plains hospital.

Mr. Minister, the people of southern Saskatchewan are really concerned that your government has turned its back on them. They're concerned that the acute care services just won't be there in time of emergency. Mr. Minister, the Saskatchewan Party has been calling for a moratorium on the closure of the Plains hospital until the health system can be reviewed.

Mr. Minister, will you be allocating funds in today's budget to ensure the Plains hospital remains open until the health system can be completely reviewed and people of southern Saskatchewan can be assured that emergency health facilities are there for them?

**Hon. Mr. Romanow:** — You know something, Mr. Speaker, I never thought I'd get up in this House and agree with my friend from the Liberal Party. There they go — they're back at it again, they're back at it again. They want another study — another study. This member doesn't understand that we've moved on now to rebuilding the finest health care system in the province of Saskatchewan's history. They have forgotten that we have now renewed our health care to the point where in the province of Saskatchewan, we are the model for the other provincial governments of this country.

Doctor Rob Wieler of the Saskatchewan Medical Association says this. He says that our government's actions in the Speech from the Throne will achieve a more stable and secure working environment for physicians and, quote, Mr. Speaker, "improved patient access to quality care."

We are building world class health care facilities at the General and Pasqua. Not only for Regina but for all of southern Saskatchewan as a result of . . . (inaudible) . . . That's what we're doing.

And finally, before I take my place, if you don't believe me, all you have to do is pick up today's *Globe and Mail*. And what are the doctors in Alberta doing, and what are the doctors in Ontario doing? They're going on full strike, because that's what Tory governments do — not NDP governments, who support medicare and health care.

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

#### Health Care Funding

**Mr. Osika:** — Mr. Speaker, I won't be asking for any studies, but as I was driving to the legislature this morning, I heard the Minister of Finance suggest that people shouldn't judge the NDP government on today's budget but on what they've delivered since coming to power.

Well let's examine what the NDP has delivered in the area of health care. You've shut down hospitals, waiting-lists are at a full-time high, patients lying in hallways of our hospitals because there are no extra beds. And the amazing thing is that you refuse to acknowledge there is a problem.

Earlier this week we told the House that at least on two occasions in the past 10 days, there was not one available hospital bed in the entire city of Regina. Instead of treating this with the seriousness it deserves, the Health minister has a bureaucrat suggest that we are misleading the public.

Mr. Premier, in past budgets you've essentially told the people to take two aspirins and call again in a year. Is today's budget just more of the same?

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

**Hon. Mr. Romanow:** — Mr. Speaker, you're right — I did use that phrase. But I used it about your party leader and your party's position on health care, which boils down to, take two aspirins and call me in the morning. That's basically the tradition of the Liberal Party.

Look, you said, you said, wrongly so — and this was answered by the Minister of Health yesterday, and you repeat it again today — there wasn't a hospital bed available in Regina. That's absolutely incorrect. It's false. It's absolutely and totally incorrect. I'm telling you we are building in Regina — go down and take a look at it — at the General and the Pasqua, hospitals which are going to serve Regina and southern Saskatchewan to a very top quality.

And while I'm on my feet and before I take my place, we're doing it all the while that the federal government funding on health care has been cut back from 50 cents to 13 cents on the dollar. Every Premier in Canada — every Premier in Canada — Liberal, NDP, PC, even Allan Rock, says join together and urge the federal Liberal government to restore funding to medicare. If we had some assistance from you people, we could do a heck of a lot better.

But I'm telling you, we've got the best quality health care anywhere in Canada right here in Saskatchewan, no thanks to you.

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

**Mr. Osika:** — Mr. Speaker, obviously the Premier isn't getting the same kind of letters and phone calls that we are; people that can't find their way to the General Hospital in downtown Regina because they have to travel in from rural Saskatchewan on roads that just about make them sicker by the time they get to the city.

Budgets are about choices, and this NDP government certainly has an opportunity to show where our priorities are, but I'm not holding out much hope. And do you know why? Because to date, the NDP has only demonstrated a commitment to party friends, like Messer, Ching, and Nystuen, but the commitment to the average Saskatchewan family has been jack.

Mr. Premier, the people of Saskatchewan deserve an explanation. Why do you place a greater priority on serving up plum jobs to your party friends than proper health care and keeping the Plains hospital open?

**Hon. Mr. Romanow:** — Mr. Speaker, I can give this answer forever; I'll repeat it again. Because what the Regina District Health Board is doing is reorganizing, and are now completing this organization, placing emphasis on the General and Pasqua with respect to more beds, more technology, to provide — I repeat again, not only for Regina, but for southern Saskatchewan — the finest health care system that we can afford to have.

You say letters? Well I have a letter here in the Regina *Leader-Post* dated March 13, 1996. This is a letter; it's open knowledge, quote, one Pat Edenoste writes:

We are very fortunate to have in Regina an administration with vision and a medical staff that is committed to providing all of southern Saskatchewan with quality health care second to none.

Edenoste is Ward 2 rep on the Regina and District Health Board from Earl Grey, Saskatchewan, if you don't believe me — from Earl Grey, Saskatchewan.

And I want to say this about the Liberal government one more time because it's a serious issue. When we invented medicare in this Legislative Assembly right here in 1962, we funded it 100 per cent from the taxes of Saskatchewan. We did it for five years. Then Ottawa came in at 50-cent dollars and we had national medicare, and that was a great thing. And today Ottawa has cut back from 50 cents to 13 cents, and we have back-filled and we have simply maintained it.

But what's more serious in Saskatchewan — the quality of health care is superior here — what is more serious is for Canada, at 13 cents some of the premiers are saying in this country, we are going to go it alone. And if the federal . . .

**The Speaker:** — Order, order, order, order.

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

**Mr. Osika:** — Thank you, Mr. Speaker. Well the government would have adequate money for proper health care if it wasn't for the bad deals that we're making all around the countryside and the money they were giving away to their friends.

In today's budget, Mr. Speaker, the government will have the opportunity to properly invest in health care, to stop bed closures and clear up waiting-lists that former NDP governments would find embarrassing and totally unacceptable.

Mr. Premier, what will your priorities be? Will they address the

true health care needs of Saskatchewan people or will the people of our health care system once again be told to take an aspirin and call again after the next election?

And, Mr. Speaker, I would like to remind the Premier that there are other letters from medical professionals who have written to the same newspaper that you are quoting from. Read those letters as well, Mr. Premier. Those are the people that speak for the sick and elderly here in Saskatchewan.

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

**Hon. Mr. Romanow:** — Yes, I'm not going to repeat the absolute, complete misinformation — I could use a word but I don't want to be unparliamentary — misinformation with respect to the health care beds that you say. I won't get into that area. I want to tell you that the person that I quote here you should know. Pat Edenoste . . . (inaudible interjection) . . . Pardon me.

**An Hon. Member:** — Doesn't speak for us.

**Hon. Mr. Romanow:** — Doesn't speak for you? Liberal candidate for you in the last election and she doesn't speak for you? Who does she speak for?

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

**Hon. Mr. Romanow:** — Who does she speak for? What do you Liberals do if you don't agree with somebody? — They don't speak for you any more? Or do they join your cousins over there?

And what colour these cousins are wearing today we don't know — sometimes it's red coat, sometimes it's blue coats. All we know is that they are turncoats; we know that's for sure . . . (inaudible interjection) . . . What is our approach? We're on the right track. It's a balanced approach and it's investing in people, and health care's right there at the top of the list. That's our approach.

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

#### **SaskPower President's Severance Package**

**Mr. Hillson:** — Thank you. Mr. Speaker, the Deputy Premier admits that in the December session he made what turned out to be misleading statements to this House. He says he did that in good faith because he in turn was misled by Saskatchewan Power leadership.

My question for the Deputy Premier is: how do you personally feel about paying a big fat severance cheque to a man you say induced you to make false and misleading statements to this House? Is that not an acute embarrassment to you, that one of your officials put you in that position and now you're still paying him a quarter-million-plus?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, as I've indicated to the member a number of times, including my statement made last Tuesday — a week ago Tuesday — to the Assembly, I said,



and I want to quote again from the statement I made, that: "We obviously made mistakes and we deserve our share of criticism." We tabled the documents.

And when it relates to severance, I made it very clear that we gave the file to Milt Fair, the former CEO (chief executive officer) of the Wheat Pool, who in conjunction with legal counsel, said this was a severance package that was in order.

This, I say again, is a legal matter, not a political one, which when you first asked the question, you agreed with. I wonder what day, sir, you changed your mind on this issue — because this is a legal issue, not a political one.

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

**Mr. Hillson:** — Mr. Speaker, the greatest defence we have heard from over there about the whole Channel Lake fiasco and the Messer severance is that they haven't acted on any lower moral plane than that of the Conservatives when they were in office.

My question for the Premier, in view of the statements in this House saying, well this is no worse than George Hill, this is no worse than the Tory contracts and what they got away with, my question for the Premier is this: how do you feel — how do you feel about setting up the defence for your government that it is operating in the same moral equivalent as the Tories. How do you think this feeds public cynicism about the leaders of Saskatchewan. What does this do about setting a new tone for Saskatchewan when the biggest defence you can come up with is, we're no worse than Tories?

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I say to the member opposite, you have to ask yourself who had four members leave their caucus to go and join the Conservative Party. That's what the public of Saskatchewan is asking. After they promised the Liberal Party, the member from Melfort — I've got the list here; I'll show it so anyone who cares to see it — where he promised weeks before that he would be loyal to the Liberal Party, then jumped ship. Where did he go? He went to the Conservative Party.

But I want to say on the issue of severance, I thought the *Leader-Post* in the editorial on March 14 said it most clearly. They said:

Thus a lawyer will often advise a company (in this case, Mr. Milt Fair) to offer a severance package because fighting an unjust dismissal case can be expensive and should you lose, you will not only likely end up paying at least as much and in some cases more, but also (the) costs.

Now you, sir, know that as a lawyer. And to come here and play political games on this issue is not fair. You know it. And I think you should apologize, because you know better.

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

**Mr. Hillson:** — You've started coming unravelled. The lawyer you're talking about relying on, said termination; you said resignation. So which is it?

Mr. Speaker, I've never accused the NDP of being stupid. They knew when they paid the severance to Messer they were creating a major political problem for themselves. They knew they were planting a bomb in their own backyard.

My question for the Premier, is why? Is this a smokescreen to divert attention from other issues? We know the people in charge of SaskPower are NDP hacks, but the names that keep coming up for Direct Energy Marketing, they seem to be all the old Tory names. What actually is going on here? Where did the money end up? Who benefited? And why did you deliberately give the opposition this big deal of the severance to Messer — was it to divert attention from the real issues?

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

**Hon. Mr. Lingenfelter:** — Well I say again, the member opposite has to wonder, as he is out loud, why this severance payment would be made, given the politics that surround it. Obviously if you were just doing what was politically good for anyone the severance package probably wouldn't be paid. The fact of the matter is the severance package is in order, as you know, because you're a lawyer. Many of your partners over there don't understand this, but because it's a legal issue, not a political one. I say that again to you. To give us credit for some sort of a smokescreen to avoid some other political issue, I wish we were that wise but that just ain't the facts.

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

## MINISTERIAL STATEMENTS

**Hon. Mr. Cline:** — Mr. Speaker, I request leave of the Assembly to make an extended ministerial statement respecting the fiscal policy of the Government of Saskatchewan for the fiscal year 1998-99.

Leave granted.

### Fiscal Policy of the Government of Saskatchewan for 1998-99 (Budget Speech)

**Hon. Mr. Cline:** — Thank you, Mr. Speaker. Firstly it is my pleasure to table a message from His Honour the Lieutenant Governor, the estimates and supplementary estimates.

Mr. Speaker, and through you, members of the Legislative Assembly, ladies and gentlemen, and friends, I am very glad to see so many people here today and I'd like to welcome everyone. If I may be permitted, Mr. Speaker, I'd like to acknowledge just a few who are very special to me and I would ask each of them to stand.

Firstly, my wife, Pauline Melis, who is an administrative assistant at the University of Saskatchewan. And beside her are lifelong friends and neighbours, Bill Magill and Jean Magill from Saskatoon. And I'd like to say . . .

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

**Hon. Mr. Cline:** — . . . thank you for being here.

Mr. Speaker, it has been my privilege these last several months to consult with Saskatchewan people and to work with my colleagues to put a budget together. This has been a first such task for me and I want to say how much better that task is because of the good work of my two predecessors, namely the member from Regina Dewdney and the member for Saskatoon Idylwyld, and I want to acknowledge that and to thank them.

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

**Hon. Mr. Cline:** — Mr. Speaker, the motto of our great province is “from many peoples, strength.” We are stronger together.

Pulling together, we balanced the budget, paid down debt, protected our quality of life, and most important, restored hope and confidence to our province.

Today I am presenting another budget that invests in people: in jobs and the economy; education and training; health; highways; families and communities — a budget that builds opportunity, security, and strength.

Mr. Speaker, this is Saskatchewan’s fifth consecutive balanced budget.

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

**Hon. Mr. Cline:** — It includes plans for three more balanced budgets, and we are seeing the benefits. Our economy is growing and diversifying. Incomes are going up. Taxes are coming down. Once again, the future is ours to decide.

Mr. Speaker, over the past several months as I travelled our province talking with Saskatchewan people, I found a great deal of common ground. People agree that the number one priority is jobs. We are working on jobs and economic growth with the same determination that went into balancing the budget.

We’re working with business, labour, farmers, cooperatives, and communities to strengthen agriculture, to promote trade and tourism, to develop our resources, to expand manufacturing and processing, and to create opportunities for new businesses in our province.

And I believe, Mr. Speaker, our approach is paying off. The simple fact is there are more people working in Saskatchewan than ever before, Mr. Speaker.

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

**Hon. Mr. Cline:** — There are more full-time jobs, more jobs for women, and more jobs for young people.

The economy is strong. Last year, oil drilling set a new record. Retail sales were up 9 per cent. Manufacturing shipments rose 15 per cent. And wholesale trade soared 26 per cent, the highest in Canada.

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

**Hon. Mr. Cline:** — And last year 13,000 new jobs were created across our province. And, Mr. Speaker, we’re well on

our way to meeting the job target we set for the turn of the century.

This year, as a result of this budget, we will replace or upgrade 10 health facilities, upgrade over 100 elementary and high schools, improve universities, regional colleges, and SIAST (Saskatchewan Institute of Applied Science and Technology) facilities around the province, and invest in highways, roads, provincial parks, and dozens of other capital projects.

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

**Hon. Mr. Cline:** — This budget will focus on four elements vital to jobs and growth — community economic development, targeted tax incentives, a strong transportation system, and education and training.

Let me begin with community economic development. Through regional economic development authorities and other organizations, people mobilize local resources to build on local strengths. REDAs (regional economic development authority) provide everything from business counselling to skills training programs. And they are making excellent progress.

And I’m pleased to announce that this budget doubles our investment in regional economic development authorities to continue to create jobs and opportunities at the community level. This includes support for new neighbourhood development organizations to revitalize inner-city communities. And we’re also increasing support for locally based cooperatives.

And we’re working with people in the North, Mr. Speaker, to tap into the unique potential of their communities. This budget will more than double investment in the northern development fund to help diversify our resource-based northern economy.

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

**Hon. Mr. Cline:** — And I’m pleased to report, Mr. Speaker, that since 1991, operating contracts between northern mining companies and their joint venture partners increased from less than \$20 million to about \$65 million in 1996. And this increased funding, Mr. Speaker, will do more to help Northerners attract and obtain such contracts.

Last year we made a three-year agreement with logging companies to share the cost of protecting our forests. This year we will add \$1.2 million to expand the spruce budworm spraying program, safeguarding the valuable forest resources northern communities depend on for jobs and growth.

Today’s budget also helps SARCAN recycling and its member organizations create jobs while protecting our environment. To help SARCAN fulfil its mission, we are expanding our recycling program to include juice boxes and other cardboard beverage containers.

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

(1430)

**Hon. Mr. Cline:** — We’re taking other steps too, to create a

climate for business and industry to invest and grow. A targeted tax strategy can encourage more investment in particular sectors. We have pursued such a strategy in the oil patch, mining, and manufacturing and processing sectors.

For example, Saskatchewan has one of the most competitive structures for manufacturing and processing in Canada. These industries are exporting Saskatchewan-made products around the world. Last year alone, they created 3,200 jobs. And sales of machinery, such as farm implements, reached \$563 million in 1997 — a \$50 million increase over 1996.

We are hopeful that a targeted tax strategy can work in our farm sector as well. Saskatchewan farmers are responding to the world's growing more competitive food markets.

Last year we introduced a sales tax rebate to encourage investment in livestock and horticultural facilities. I am pleased to announce this year we are lowering the annual deductible from \$500 to \$100 so even more farmers can compete in these and other fast-growing global markets.

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

**Hon. Mr. Cline:** — Mr. Speaker, our farmers can compete with the best. We know that the future of agriculture will be shaped by research and development. Modern dry land farming methods, new animal vaccines, and agricultural biotechnology have put Saskatchewan farmers at the leading edge of innovation.

This year in addition to initiatives supported by the agri-food equity fund, we will invest \$14 million to encourage more innovation and move new technologies from the labs to the fields.

Mr. Speaker, Saskatchewan's mining sector is strong and this budget will make it stronger. Effective midnight tonight, exploration equipment purchased for use in the mining sector will be exempt from the provincial sales tax.

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

**Hon. Mr. Cline:** — This new incentive will promote more exploration in jobs, especially in the North.

The oil and gas sector too is a driving force in the Saskatchewan economy. It has created wealth and jobs in communities like Estevan, Weyburn, Swift Current, and Lloydminster. I'm pleased to announce a new petroleum research tax incentive to encourage innovation in our oil and gas industry to create even more jobs.

Mr. Speaker, across the industrial spectrum a broadly based research and development tax incentive will help companies stay competitive and invest for the future. I'm therefore pleased to announce, effective midnight tonight, a 15 per cent income tax credit for research and development in Saskatchewan.

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

**Hon. Mr. Cline:** — This tax credit will benefit industries like engineering, biotechnology, and information technology to

name a few. It will also benefit our universities where much of this research activity takes place.

Saskatchewan's film industry is also flourishing. It offers some of the skilled, well-paid jobs we want for our youth and our future. I'm pleased to announce, effective January 1, 1998, a film employment tax credit equal to 35 per cent of the costs of employing Saskatchewan people in this dynamic industry.

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

**Hon. Mr. Cline:** — This tax credit will be increased by an additional 5 per cent of eligible expenditures for productions in rural Saskatchewan, bringing more film activity and jobs to rural communities.

Mr. Speaker, targeted tax incentives work. In addition to these incentives we will continue to cut red tape for business. Beginning in April, 4,400 small businesses will be able to save time and money by filing their sales tax returns quarterly or annually rather than monthly.

We're also launching a one-stop business registration pilot project to simplify the process for entrepreneurs. And we're streamlining licensing requirements for business including the resource sector while continuing to safeguard the environment.

Community economic development and a climate for business investment and growth — that is our approach to creating jobs and opportunities for Saskatchewan people in the 21st century.

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

**Hon. Mr. Cline:** — Mr. Speaker, a strong transportation system is vital to our growing economy, particularly to our rural and farming communities. But there are challenges. The federal government eliminated the Crow benefit. It deregulated the rails. Rail lines have been abandoned, offloading more traffic to the roads and increasing the burden on Saskatchewan highways, communities, and taxpayers.

Now more than ever we have to draw on our spirit of partnership and innovation to meet our transportation challenges. That's why we're working with local governments, businesses, and communities. Together we're setting priorities. We're investing our limited resources wisely, and we're exploring options like short-line railways and alternative trade routes.

We have also committed \$2.5 billion over 10 years to upgrade and modernize our roads and highways.

Last year we resurfaced, repaired, or graded thousands of kilometres of Saskatchewan highways; we worked on twinning the Yellowhead Highway; and we pushed construction into the fall. This year we will repair or resurface 3,600 kilometres of roads and highways, more than the distance from Saskatoon to Quebec City.

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

**Hon. Mr. Cline:** — People across the province will see construction and repair crews working on their roads and

highways in their communities.

Mr. Speaker, these efforts do not lessen the federal government's responsibility to work with the provinces towards a national transportation strategy. This is especially crucial to major projects like twinning the Trans-Canada Highway, so we will keep the pressure on but we're also forging ahead. This year, work will start on the sections of Highway 1 connecting Gull Lake to Tompkins, and Indian Head to Wolseley.

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

**Hon. Mr. Cline:** — And twinning will be completed on Highway 12 between Saskatoon and Martensville.

Mr. Speaker, even in the absence of a federal commitment to transportation, this year's budget provides \$219 million — 10 per cent more than last year — to build a safe, reliable, modern highway system for the 21st century.

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

**Hon. Mr. Cline:** — Mr. Speaker, our growing economy also requires skilled, knowledgeable workers. Last year our Made in Saskatchewan training strategy invested in people through a wide range of programs including apprenticeship, JobStart, and Future Skills. Thousands of graduates of these programs are working in good-paying, full-time jobs in Saskatchewan cities and towns, in rural areas, and in the North.

This year, working with our partners in SIAST, regional colleges, business, and industry, we will support 7,100 people in adult basic education — 4 per cent more than last year. We will train 2,800 apprentices — 10 per cent more than last year. And we will bring 4,600 people into JobStart, Future Skills, Quick Skills, and other programs — 8 per cent more than last year.

And this year, Mr. Speaker, some 23,000 Saskatchewan people will have a chance to participate in training, education, and skill development programs. This means more jobs and good lives, Mr. Speaker, and I am pleased to announce that this budget invests \$136 million, 7 per cent more than last year, to prepare more Saskatchewan people, especially youth, for opportunities now and in the future.

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

**Hon. Mr. Cline:** — Another aspect of preparing our youth for opportunities tomorrow is a strong, world-class system of post-secondary education. Saskatchewan people take pride in their universities. We are committed to helping them provide high academic standards, up-to-date equipment and facilities, and affordable tuition.

Our universities are making solid progress to revitalize and modernize for the new century. For example, a fibre-optic link allows students at one campus to join classes being taught at the other. The universities are sharing supplies, services, and a new library link to reduce duplication, and they are directing the savings to students in the classroom.

Last year, we provided \$3 million for these and other joint

initiatives. This year we will do so again. Last year we provided \$14 million for post-secondary institutions to upgrade buildings, equipment, and laboratories. This year we are increasing capital funding by 66 per cent to \$23 million in 1998-99.

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

**Hon. Mr. Cline:** — This capital investment will address immediate challenges and begin the process of modernizing and upgrading Saskatchewan's post-secondary institutions. And, Mr. Speaker, today I have the pleasure of announcing even more positive news for post-secondary students and institutions. In 1998-99, we will increase operating grants for universities and federated colleges to \$181 million — \$9 million more than last year.

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

**Hon. Mr. Cline:** — We are doing our part to keep tuition down and I am confident this budget will help the universities and colleges do their part as well.

We are also improving Saskatchewan's student assistance program, already one of the best in Canada. This year we are increasing student aid for 2,200 students with children by raising the assistance limits to reflect today's costs. We are also joining with the federal government to provide tax relief for interest paid on student loans. Some 29,000 Saskatchewan people will benefit from this change.

And beginning August 1 we are refocusing our loan forgiveness program to provide upfront debt relief in the form of bursaries. Approximately 6,000 students per year will benefit from this change and many will begin their careers with significantly less debt. For example, single students may qualify for bursaries of up to \$3,230 each year; those with dependants, up to \$6,120.

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

**Hon. Mr. Cline:** — And we will do so this year, not in the new century, Mr. Speaker.

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

**Hon. Mr. Cline:** — Overall, this budget will improve the quality and accessibility of post-secondary education and reduce debt for thousands of Saskatchewan students. Mr. Speaker, a solid education starts in our elementary and high schools. Teachers, school boards, parents, and students are working together to ensure the best education possible.

Saskatchewan people know that the best investment we can make in our future is in education for our children. Our task is to equip them with the knowledge and skills they need to succeed and prosper. That is why we will continue to build excellence and opportunity into our kindergarten to grade 12 education system. And that is why I am pleased to announce this budget invests \$21 million more this year in foundation operating grants to schools, bringing our total 1998-99 investment to \$384 million.

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

**Hon. Mr. Cline:** — And, Mr. Speaker, students everywhere need a safe and healthy learning environment. Last year, we invested \$17 million to upgrade, renovate and build schools across the province. Today's budget increases our investment in school capital by 43 per cent to \$24 million in 1998-99.

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

**Hon. Mr. Cline:** — This year we will upgrade or renovate more than 100 schools in communities across the province including Central Butte, Estevan, Lloydminster, North Battleford, Biggar, and Yorkton. This budget makes a major investment in our children and our future and we will do even more as our financial situation continues to improve.

(1445)

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

**Hon. Mr. Cline:** — By investing in our young people, we will build the skills and academic excellence they need to fulfil their potential for satisfying and prosperous lives here in Saskatchewan.

Mr. Speaker, Saskatchewan people depend on this province's solid education and health systems; on compassionate, progressive social programs; and safe, vibrant communities. These are the cornerstones of our quality of life. Saskatchewan people want their local governments and the province to work together to provide services that are affordable and dependable.

Last fall we promised to review the issue of paying grants in lieu of property taxes. We said we would start to phase in these grants as our fiscal situation improved. I am pleased to announce today that in 1998-99 we will pay \$3.1 million to municipalities, school boards, and libraries. This investment will increase to \$12.5 million a year as we work with our partners to fully phase in the grants in lieu over four years.

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

**Hon. Mr. Cline:** — This budget also adds \$3 million to the rural revenue sharing program, an increase of 14 per cent to help rural communities build and maintain their roads.

Mr. Speaker, many communities asked us to change the way RCMP (Royal Canadian Mounted Police) policing costs are paid. I am pleased to announce that a new cost-sharing formula will be introduced January 1, 1999. This new formula will reduce policing costs for almost 100 municipalities.

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

**Hon. Mr. Cline:** — At the same time, we will contribute \$1 million in this fiscal year and \$4 million the following year to cover the added expense for hundreds of other communities and rural municipalities.

Mr. Speaker, volunteer fire-fighters across Saskatchewan work hard to keep their villages, towns, and rural areas safe. This budget will support their efforts and help all communities contain their costs by removing the provincial sales tax from the purchase of fire trucks and attached equipment.

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

**Hon. Mr. Cline:** — Strong, vibrant communities are the foundation of a strong province and we will continue to work with our partners at the local level to strengthen Saskatchewan communities for the 21st century.

We're also working to make our communities safer. The best way to ensure safe communities is to give our children and families the best possible health care, education, social services, and job opportunities. The evidence is right here in Saskatchewan in our ambitious, enthusiastic, and community-minded young people.

All of us agree however, that those very few who do not respect the law must be held accountable for their actions. That is why this budget provides more resources to track and deal with repeat young offenders; expand secure custody facilities for youth who commit serious crimes; enhance screening and reintegration methods for offenders prior to release; and improve supervision of those serving their sentences in the community.

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

**Hon. Mr. Cline:** — We're also making our communities safer by bringing 911 emergency telephone service to every home, business, and farm in the province.

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

**Hon. Mr. Cline:** — In 1995 we introduced the first legislation in Canada focused on meeting the needs of victims of family abuse. This unique legislation protects victims by allowing them exclusive rights to their homes. This budget provides further protection by giving police faster access to information in cases of family abuse.

In addition, we're promoting a safe and healthy workplace with more investment in training, inspections, and enforcement of workplace safety standards.

Mr. Speaker, our Saskatchewan values dictate that we should do all we can to foster safe, healthy communities and families.

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

**Hon. Mr. Cline:** — These values of cooperation, compassion and common sense guided the creation of medicare, Saskatchewan's gift to Canada. In 1991 we began working with Saskatchewan people to build a modern, secure health system to carry medicare forward into the next century.

Today we provide a wider range of services to Saskatchewan people than ever before, including province-wide screening for breast cancer, nutritional supplements, education and counselling for expectant mothers, treatment for people with eating disorders, new health and safety programs for farm families; in-home renal dialysis for over 100 Saskatchewan residents; and specialized teams to support and transport children needing specialty services to any location in Saskatchewan.

Our emphasis on wellness and prevention has brought many other new services to people, including fitness programs, injury prevention clinics, and teen wellness centres. Health districts continue to introduce programs to meet local needs. For example, services for people with acquired brain injuries are offered in 14 communities.

More than ever we are focusing on the needs of seniors. Over the past six years we doubled our investment in home care. And Saskatchewan continues to provide one of the best home care programs in Canada. Services like nursing care and intravenous therapy, once available only in hospitals, can now be delivered in people's homes.

Compared with 1991, we're now doing 80 per cent more cataract operations a year. We're doing 30 per cent more hip and knee replacements, and twice as many angioplasty procedures.

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

**Hon. Mr. Cline:** — Dedicated teams of nurses, physicians, and other professionals work hard to provide all Saskatchewan people with the best health care available.

The federal government is telling these dedicated workers, and telling all of us, that it has no more money for medicare. There was not one extra dollar for health care in the federal budget. It simply does not make the federal government's priority list.

Well, Mr. Speaker, that is not good enough. Continued neglect by the federal government threatens our national health system. Saskatchewan, the home of medicare, will continue to advance the cause of medicare to ensure its future for all Canadians.

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

**Hon. Mr. Cline:** — Our commitment to medicare is stronger today than ever. And I'm pleased to announce that our budget today invests \$1.7 billion in our health system — the largest investment in health in Saskatchewan's history.

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

**Hon. Mr. Cline:** — That is over one-third of our entire budget and \$88 million higher than last year.

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

**Hon. Mr. Cline:** — This significant investment will strengthen the health system and bring more services to Saskatchewan people.

In rural areas, health districts can recruit and retain more physicians. Physicians can provide better emergency coverage. People will receive improved emergency services with more and better-trained first responders and paramedics, and the expansion of renal dialysis sites will continue with two new sites this year.

Saskatchewan people will also see upgraded, modern, base hospitals in Saskatoon and Regina with a full range of quality services for all Saskatchewan residents; increased specialist

services such as kidney and cancer treatments, and CT (computerized axial tomography) scanning and a new MRI (magnetic resonance imaging) operating in Regina to improve access to this service in southern Saskatchewan.

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

**Hon. Mr. Cline:** — Across the province people will see new or upgraded health facilities, expanded immunization programs, and advanced clinical nurses bringing more health services to more communities.

And, Mr. Speaker, new technologies are the wave of the future. We're starting now to lay the groundwork for our new Saskatchewan Health Information Network. This new system will allow physicians and other health professionals to share vital health information instantly. It will give people faster access to important information and test results, and reduce duplication of medical tests. And it will give health professionals advance warning of potential drug interactions to ensure the safety of Saskatchewan people.

We're also using new technologies to provide video links between specialists in larger cities and health professionals in smaller communities. The telehealth pilot project will bring advanced medical skills and services into several northern communities.

Mr. Speaker, Saskatchewan people today have access to a broader range of fully insured health services than ever before, and we will continue to work with health districts and health professionals to build a secure, publicly funded, modern health system for our children and grandchildren.

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

**Hon. Mr. Cline:** — Mr. Speaker, the values that led to medicare also underlie our other social programs. Saskatchewan people continue to lead the way with new solutions to child and family poverty.

Saskatchewan's action plan for children, launched in 1994, showed the world there is a better way of doing things. This award-winning plan brought together government and community resources to give children the support they need to grow and succeed.

School- and community-based programs now serve hot meals and snacks to thousands of children to improve health and learning, and they provide extra resources for children with special needs.

This year even more children will receive extra help learning to read and write. Some 25,000 children will receive needed school supplies. More parents will get support in caring for disabled children at home. And more families will benefit from affordable housing initiatives across the province.

I'm pleased to announce that for 1998-99 we are doubling our investment in Saskatchewan's action plan for children.

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

**Hon. Mr. Cline:** — We will invest over \$53 million, and this significant new investment heralds a bold, innovative approach to meeting the needs of children.

It builds on efforts, led by Saskatchewan, at the national level. We urged the federal government to work with the provinces to introduce a national plan to combat child poverty. When the National Child Benefit is implemented this July, it will be Canada's first new social program in 30 years.

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

**Hon. Mr. Cline:** — It will bring the federal and provincial governments together to focus directly on improving the lives of millions of Canadian children.

But in Saskatchewan we are going even further by providing a bridge to opportunity and independence for families on welfare. Mr. Speaker, existing social assistance plans have too many barriers to people who want to work and get ahead. When parents on welfare want to get a job, they are faced with a real dilemma. When they start to work they encounter day care costs and other work-related expenses. They lose health benefits for their children and often find their family worse off than before. The result is too many families trapped in a cycle of assistance and dependence.

This budget invests in three new initiatives to help families get off and stay off welfare. First, a new Saskatchewan Child Benefit for some 80,000 Saskatchewan children will extend support to low income families and encourage future independence by removing children from the welfare rolls entirely.

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

(1500)

**Hon. Mr. Cline:** — Second, a Saskatchewan employment supplement — unique to our province — will provide low income, working families with the extra support they need to stay in the workplace.

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

**Hon. Mr. Cline:** — It will make sure families are better off working than they would be on welfare.

And third, family health benefits for children in low income, working families will ensure the health needs of Saskatchewan children can be met.

These bold new initiatives target assistance to children and low income, working families. They begin to break the cycle of dependence and build bridges to jobs and independence.

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

**Hon. Mr. Cline:** — Mr. Speaker, this budget puts people first, with significant investment in jobs, education and training, highways, health, families and communities. These major investments reflect our growing financial freedom. They are possible because of responsible, sound financial management.

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

**Hon. Mr. Cline:** — Recent events in Asia, uncertain resource prices and changing weather patterns, underscore the importance of continued careful management. We are committed to this course. That includes containing administrative costs so we can invest in more services for Saskatchewan people.

We are also committed to maintaining a balanced approach towards enhancing services, reducing taxes, and paying down debt.

Mr. Speaker, Saskatchewan people know that the “buy now pay later” philosophy does not work. We are determined to keep paying down the mortgage on our children's future.

When we took office in 1991, we inherited a provincial debt of over \$14 billion — an amount equal to nearly 70 per cent of Saskatchewan's gross domestic product or GDP.

Today the debt is down to 45 per cent.

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

**Hon. Mr. Cline:** — By the year 2002, the provincial debt as a percentage of GDP will be reduced to less than 35 per cent — half of what it was in 1991 — giving us greater security and confidence as we head into a new century.

In 1997-98, we paid over \$700 million toward reducing the debt. In 1998-99, this upcoming year, we will reduce the debt by almost \$500 million more. Mr. Speaker, that's \$1.2 billion gone from the debt in just two years.

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

**Hon. Mr. Cline:** — And the net proceeds from the recent sale of our interest in the Bi-Provincial upgrader will be used exclusively to pay down debt and reduce interest costs for Saskatchewan people.

Mr. Speaker, just five years ago, nearly 19 cents out of every dollar collected in revenue went to pay interest on the public debt. This year we will pay 14 cents on the dollar. By the year 2002, we'll pay about 12 cents. That means more money to invest in people for jobs, education, health, highways, and lower taxes.

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

**Hon. Mr. Cline:** — And most important, it provides financial freedom our children will need to prosper in the new century.

Mr. Speaker, on the road to turning the province's finances around, we promised to reduce taxes for Saskatchewan families on an affordable, sustainable basis. We balanced the budget in 1994-95 and we have reduced taxes in every budget since. That includes a \$55 million-a-year income tax reduction introduced in 1995. It was fully implemented in 1996, taking 6,000 lower income people off the tax rolls and . . .

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

**Hon. Mr. Cline:** — And benefiting all Saskatchewan taxpayers.

Last year we cut the provincial sales tax from 9 per cent to 7 per cent.

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

**Hon. Mr. Cline:** — Mr. Speaker, these tax cuts are here to stay.

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

**Hon. Mr. Cline:** — We should also remember that our sales tax base is the narrowest of any sales tax base in Canada. Saskatchewan families pay no sales tax on electricity, home heating fuel, children's clothes, books, restaurant meals, prescription drugs, and many other goods and services. We have no provincial payroll taxes and we pay no health premiums.

This budget continues to lower taxes for Saskatchewan families. It introduces another responsible, sustainable tax cut. I am pleased to announce that effective July 1, 1998, Saskatchewan's personal income tax rate will be reduced from 50 per cent to 48 per cent of basic federal tax.

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

**Hon. Mr. Cline:** — In 1998-99 this will put over \$28 million back into the household accounts of families across the province. In 1999-2000, this tax cut will return \$45 million a year to Saskatchewan people.

In addition, provincial income taxes will be reduced by nearly \$13 million a year as part of our contribution to recent federal tax changes.

In total, income taxes for Saskatchewan families will be reduced by \$58 million a year.

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

**Hon. Mr. Cline:** — Combined with the tax cuts introduced since 1995, this means families earning \$50,000 a year will be better off by about \$600 a year. Families earning \$20,000 a year and receiving the Saskatchewan Child Benefit and the Saskatchewan employment supplement will be better off by over \$1,500 a year.

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

**Hon. Mr. Cline:** — Mr. Speaker, we promised Saskatchewan people lower taxes and fairer taxes. We promised credible, responsible tax cuts that would not lead us back to deficits and debt. We promised tax reductions that would be here to stay. That is what we said we would do; that is what we have done; and that is what we will continue to do.

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

**Hon. Mr. Cline:** — Mr. Speaker, Saskatchewan people can feel very proud of their accomplishments in the 1990s. Together we turned the province's misfortunes around with sound financial

management and a commitment to economic growth and jobs. Together we secured the important services that enhance our quality of life. These efforts establish the momentum towards the future of prosperity and promise.

Today's budget builds on that momentum with significant investments in the priorities of Saskatchewan people — in jobs and the economy; in training and education; in highways, health, communities, and families. It keeps us on the path to financial freedom by paying down debt and lowering taxes for Saskatchewan people.

The history and tradition of our province is one of people pulling together in difficult circumstances and turning obstacles into opportunities. At the beginning of this century people joined together and created a province whose motto became: "from many peoples, strength."

The same spirit of hope and determination which prevailed then allows us to approach the new century with confidence. That is what this budget is about; that is what Saskatchewan is about; that is what our future is about.

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

**Mr. Gantfoer:** — Thank you, Mr. Speaker. It's my pleasure to respond to the minister's statement on behalf of the official opposition. I'll keep my remarks fairly brief today as I'll have more to say when we get into the actual budget debate a few days or weeks from now. I just want to touch on a few key issues that I know are of importance to the people of Saskatchewan.

Mr. Speaker, topping the agenda of the people of this province is a meaningful tax cut — a tax cut that will allow them to keep more of their own money and increase their spending power. We didn't see a meaningful tax cut in 1997, Mr. Speaker. Yes, the provincial government reduced the provincial sales tax back to the level it was when the NDP came to power, and that was positive.

In fact soon the government will take in almost as much in sales tax revenue as it did before the tax cut. It's proof that tax cuts work, Mr. Speaker. But unfortunately last year's modest tax reduction was quickly undone by equal increases in SGI (Saskatchewan Government Insurance) rates, SaskEnergy rates, SaskTel rates — it's in one pocket and out of the other with this government.

And so now we see the government . . . the Saskatchewan basic income tax reduced by two points over the next two years, from 50 per cent of the federal tax to 48 per cent. And the Finance minister acts as if he's doing us all a huge favour. Let's look at the reality of the situation. Unless you're Jack Messer and you've just walked away with a \$300,000 cheque courtesy of the government, this tax cut will do nothing, or next to nothing, for Saskatchewan families.

A couple of weeks ago the federal Finance minister gave us tax relief that amounted to about the price of a half a cup of coffee a day. Today the provincial Finance minister gave us the other half of the cup, because that's about all we'll be able to afford today with this tax reduction. At 50 cents a day from what the



provincial government is giving us back today, Mr. Speaker. And we're supposed to be grateful? I don't think so.

Mr. Speaker, while we welcome this very minor reduction, the fact of the matter is that our income tax rates for Saskatchewan are still wildly uncompetitive. When you calculate the 2 per cent flat tax and the debt reduction surcharge and the high income surcharge, the Saskatchewan tax rate really isn't 48 per cent of the federal rate; it isn't even 50 per cent. No, Mr. Speaker. When you calculate all of these other surcharges and taxes on income, we're really closer to 60 per cent of the federal rate.

Simply put, yesterday we were highly uncompetitive with our neighbouring provinces, and very little has changed today. And because of this, the fundamental underlying problem in Saskatchewan's economic future remains the same. We are doing absolutely nothing to attract or keep skilled, well-paid workers in this province. We are doing little or nothing to attract entrepreneurs to Saskatchewan. In fact, just the opposite seems to be happening. This year corporate income tax is forecast to drop by nearly \$50 million despite the fact that the tax rates will remain the same.

What's this tell us? It shows us businesses are just not coming to Saskatchewan; they are leaving and taking their money with them. Where's the growth, Mr. Speaker? It's in Alberta; it's in Manitoba. But based on these figures, it certainly isn't in Saskatchewan. It seems that the NDP has one of two things in mind here — either drive business out of Saskatchewan or simply shut them down.

This is going to cause Saskatchewan huge problems in the years to come. As our population continues to age and its young people begin their careers, they continue to bypass Saskatchewan. Today our bills will continue to climb while our ability to pay them will not.

(1515)

This is the demographic deficit, Mr. Speaker, and the NDP government is absolutely unwilling to address it. I'm not even sure they recognize it as a problem. The only way to address this demographic deficit, the only way to attract and keep highly skilled young people in our province and improve the tax base is to reduce the tax burden, and reduce it significantly. And the government has failed to do that today.

In fact, not only have they inadequately addressed tax reduction today, the budget actually contains hidden taxes for many people in our province, but especially in Regina and Saskatoon. A year ago we heard the big announcement from the government that it would begin paying grants in lieu on provincial government property. Today with this budget, we've been told that the province has reneged on this province for the most part.

Last year we heard a figure of 12 million going back to municipalities, mainly Regina and Saskatoon, through these grants. But the figure contained in today's budget is about \$3 million for the coming year. The message to Regina residents is clear — pull out your cheque book because you're going to have to pay through the nose once again.

For the residents who have seen their property tax bills sky-rocket over the last year, this is simply unacceptable. But again it's the oldest trick in the book for the government — put the money in one pocket and take it out of the other; download on anybody and everybody for the sake of their own books. It's unacceptable, Mr. Speaker, and ultimately it's highly damaging to our province.

Mr. Speaker, we have seen some increases in the budgets of individual departments this year, and I want to take a few moments to look at a couple of the major areas of government.

First of all, health care. We see the budget increasing the overall health budget by about \$88 million over last year's estimate. While that will serve the government well politically I suppose, it does nothing to address the real problems that are apparent in the current health care system. These problems are systemic and cannot be fixed by additional cash because if the money for health care isn't going where it's needed most, it doesn't do any good; it just disappears down a black hole.

If we are going to get to the bottom of the crisis in health care in Saskatchewan we have to review the entire health care system. We have to review what's happening to the system since this government embarked on health care reform in 1993. We're now five years into the health care reform plan and it's time to look at where it's going and where it isn't. Only then can we fix it where it needs fixing. Throwing a few million more to a health care system that is fundamentally flawed may put out some political fires temporarily but it doesn't address the underlying problems. And I urge the government to seriously consider our call that such a review begin immediately.

And prior to that review, stop the closure of the Plains Health Centre slated to go ahead this fall. The people of Saskatchewan are saying they don't want this hospital closed but because of this government's actions, it will close. The Saskatchewan Party is asking that this closure be halted until such time as a complete review of the health care system is complete. We feel the people of southern Saskatchewan who built this hospital deserve that much at least.

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

**Mr. Gantefer:** — Mr. Speaker, I also want to address the situation with regard to highways and roads in Saskatchewan. I'm very pleased that the government has made a commitment to twin further sections of the Trans-Canada Highway. It's certainly a worthwhile project. I'm only sorry it has taken tragedy to move the government in the proper direction. My hope is that the Liberals in Ottawa will get on board at some point and contribute to their own portion of this national highway.

Because beyond this single highway however, we see the provincial government failing to meet its goal of \$250 million a year over 10 years. Last year we didn't meet that goal and this year we're \$31 million further below it. This will only mean that highways in Saskatchewan will continue to crumble and become more dangerous in the coming year.

The news for rural roads is even worse. Last year we saw \$29 million cut from the municipalities. This year the government is

restoring \$3 million of that funding. That's about one-tenth of what they cut last year and the Finance minister has the audacity to say that RMs (rural municipality) will be able to use this money to make much needed repairs to the rural road system. I don't think so, Mr. Speaker. This is a token commitment, nothing more. And the state of our roads need real action and we're not seeing it in this budget today.

On the agriculture front we see the Agriculture budget reduced once again from last year's estimate. And we didn't see a word from the minister today about any plans of this government to address the problems faced by young farmers in Saskatchewan who are facing lower commodity prices and higher input costs. Not one word, Mr. Speaker, about the most important industry in our province — disappointing but not surprising.

On the education front we see an increase in funding which comes as welcome relief to the school boards in this province. But let's make it clear. Nearly every penny of this increase has already been eaten up with the teachers' contract negotiated by this government without any meaningful input from the people who pay the majority of the bills — the school trustees themselves. They were shut out of the process when the province unilaterally revoked a protocol agreement in the typically heavy-handed way we've come to expect from this government.

Also regarding education, Mr. Speaker, there's not a single word about removing some of the education burden from local taxpayers. At one time the provincial government picked up 60 per cent of the cost of education; today it's barely 40 per cent. We need a plan to address this inequity and we haven't heard a word about it today.

And finally on education, we are still waiting word from this government how it plans to reform the student loan system for post-secondary education students. We've heard about some minor changes today, but for the vast majority there's nothing here fundamentally reforming the student loan program.

Mr. Speaker, there's much to say about this government's commitment to each and every government department, and my colleagues will gladly address each of their portfolios in greater detail when the time comes for them to speak on the budget.

There's still some areas I want to address, Mr. Speaker. The first is regarding what I see as very questionable economic projections. In this budget the minister has forecast an average price for oil of 17.25 per barrel. This is wildly optimistic.

Just days ago the Toronto Dominion Bank forecast average oil prices for 1998 at \$15 a barrel. In other words, all the assumptions of this budget are built on a house of cards. I guess we really shouldn't be too surprised at this, given this government's track record when it comes to speculating on commodity prices. They blew it on natural gas with the Channel Lake fiasco and I'm afraid they're well off the mark with oil as well.

Another issue I want to address here, Mr. Speaker, is debt reduction. I want to point out to the people here today, and to those watching around the province, that the only meaningful debt reduction contained in this budget, just as in previous

budgets, comes directly from privatization of government property. Just as the case with the Cameco shares, we see the privatization of the upgrader in Lloydminster as the only meaningful source of debt reduction.

What's that to tell us? More importantly, what's it to tell the members opposite. Is it enough for them to remove their ideological blinders for one minute to consider the possible benefits of privatization? Is it enough for them to shake off their 50-year-old economic theories and get on with the job of doing what's right in Saskatchewan?

We must study each and every Crown corporation, every government department thoroughly and with an honesty based on facts, not political ideology. We must decide if we should keep these entities and which we should run as private enterprise. We're not calling for a fire sale of government assets here, Mr. Speaker. We're simply asking the government to do what's right for the people of Saskatchewan instead of what's right for their socialist sentiment.

It's a vital debate that must commence immediately because some of these Crowns are going to lose value in the wake of deregulation and competition, in the wake of government mismanagement like we've seen with the Channel Lake fiasco and the Guyana débâcle.

These two embarrassments alone tell us that these Crowns are in a bad need of professional management. There is no more room for political bagmen to run these billion-dollar corporations, especially when one considers these Crowns account for 40 per cent of all government activity. They must be run professionally, and in some cases only private sector expertise can take these companies where they have to go. The Jack Messers of the world just will not do any longer.

While we're on the subject of privatization of the upgrader, I think it's important for me to point out that the only reason the budget is balanced at all is because of cash from the upgrader coupled with an increased take from the Crown utilities through rate hikes; and let's not forget a major draw-down from the liquor and gaming fund.

And, Mr. Speaker, on top of all of this, the government balanced its budget because of a 900 per cent increase in equalization payments from Ottawa, from \$30 million to \$310 million.

I should take a moment here to congratulate the current Minister of Economic Development for achieving her goal. A couple of years ago she said Saskatchewan should remain a have-not province so we can get more in equalization from Ottawa. In other words, we should stay on welfare. Well she's got her way. After the best year economically in many years in Saskatchewan, we're still depending on welfare from Ottawa. And once again we are a have-not province.

Now that's astute management, Mr. Speaker. The Economic Development minister and Finance minister must be proud today. We've balanced the budget through liquor, through gambling, and through welfare from Ottawa. That's the Saskatchewan the NDP knows and loves.

To close, Mr. Speaker, for the past few days in this House we have learned much of the priorities of this government. And today we see these priorities coming to fruition. This budget contains very little good news for Saskatchewan families. It's \$300,000 for Jack Messer and a half-cup of coffee for the rest of us. It's just not good enough for the people of Saskatchewan. Thank you, Mr. Speaker.

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

**Mr. Hillson:** — Mr. Speaker, I will try not to trespass on the patience of hon. members and our distinguished guests this afternoon. I do wish though — just preliminary — to congratulate members opposite on their carnations. I think they look quite classy. Unfortunately, I think the orange colour is a poor choice, because of course orange so often comes across looking like nothing more than a pale, faded, second-rate imitation of the genuine, vibrant red article.

I would also like, I'd also like to say just very briefly in preamble that I am sorry that the budget address couldn't be introduced in the normal manner. And I am sorry to think that there are some hon. members who believe that the way to get to the bottom of the Channel Lake fiasco is to stop the work of this House. And I wish to say that I think that my colleagues and I are as committed as anyone to getting to the bottom of this, but I don't think shutting down this House will advance that agenda.

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

**Mr. Hillson:** — I may say in that regard, Mr. Speaker, that I raised questions on Channel Lake in November — I got no answers. I asked questions in December — I got jokes and laughs. I tried juggling a phone-in radio program and an interview on Channel Lake in January and I was ridiculed by some members over there. I asked question . . . I asked the Public Accounts to add it to its agenda in February and the NDP and Tories voted no.

We must do this, but we do not have to prevent the work of this House and of the Government of Saskatchewan from proceeding in order to do what needs to be done.

Now on the budget, Mr. Speaker, very briefly. It's very clear, when we look at the numbers, that this budget was written on the backs of utility users of this province. While our utilities operate in the only unregulated market on the continent, and our utilities continue to demand higher and higher rate increases and larger and larger profits, that in effect this has become a convenient method of back-door taxation.

As well as use of the Crowns as back-door taxation, we are concerned that some of the projections of revenue may be overly optimistic. I will give just one example, Mr. Speaker. The federal government told us in its budget that Saskatchewan was expected to receive equalization in the amount of a hundred and sixty million this year. The Hon. Minister of Finance has said we will receive 310 million, double the federal figure and 11 times the 1998 figure.

(1530)

Mr. Speaker, this budget does nothing to keep the Plains hospital open. It will not shorten waiting-lists or stop bed closures. It will not even bail out those health districts which are operating in the red. And even as we meet this afternoon these health districts, including my own, are projecting cut-backs and seeing how they are going to deal with the problems created by the Health minister.

One of the few bright spots in health is the new MRI for Regina. The Health minister took credit for it. I don't know why. We all know, everyone knows, that's been paid for by private funding. More and more it's private resources that are funding this health care, and they're trying to take the credit for what the citizens of this province have done, not them.

I am pleased however that some small . . . (inaudible) . . . bit of the thanks we have to express, the work of some of my colleagues here — and Joan Kortje — in bringing the issue of the need to twin the Trans-Canada . . . has been brought to the fore. We see 27 kilometres of the Trans-Canada; nothing for the Yellowhead. It's a small start. It took 30,000 petitioners to put this on the agenda, but they have accomplished something and I congratulate Joan Kortje for that.

I would also like to say that in the opposition, well we oftentimes feel that it's very hard to move the agenda along. I'm pleased personally that last year we made an issue out of the fact that an environmental handling charge was being charged against juice boxes, and this was fraud because there was no environmental handling, there was no recycling. That's been added to the province this year and I'm pleased to see that we were able to accomplish that. It's small. I'm also pleased to see we were able to cancel that crazy art tax that you tried to slip through.

Well the NDP tells us that they want to invest in people. And I think those are fine sentiments. I hope that the only people they're interested in investing in aren't just Jack Messer. Most of us haven't felt the same level of investment that he has received.

I'm concerned especially in education, that we don't see the funding commitment that will have a true impact on educating our young people. I was appalled last week when the Premier was critical of the federal government for placing such a high priority on the education of our young people.

The NDP tells us that the education and training of our aboriginal young people especially, is a top priority. We all know, Mr. Speaker, from the demographic projections facing this province, that there will be an extremely large number of native young people entering the workforce and the work age in the next 15 years. We all know, Mr. Speaker, that these young people must be equipped to become full participants in our economy or this province has no future.

Yet, Mr. Speaker, the province has refused to come up with any money whatsoever for the Saskatchewan Indian Federated College. They will not even come up with half the money that Ottawa has come up with. Fine words about training for our aboriginal youth — no follow-through.

As well as utility hikes, there's another form of back-door

taxation and that is the continuing cuts to our municipalities. We know that cuts to grants to municipalities end up directly on our backs as more property taxes. We are one of only two provinces that doesn't in effect pay municipal property taxes by the provincial government. Well the 12 million the Deputy Premier promised for municipal property taxes has now dwindled to 3 million. What effect will this, renegeing on this promise, have on property taxpayers in Regina?

We in Saskatchewan are the most heavily taxed of all Canadians. Our tax freedom day is the last in Canada. There is some tax relief in this budget, but any tax relief we get is more than eaten up with utility rate hikes and downloading on the municipalities likely to be reflected in municipal property taxes.

At the same time is, there is \$150 million increased money coming in from the Crowns; the Crowns are assuming 200 million in new debt. Specifically, SaskTel alone is assuming an additional 100 million in debt. We don't know what this is for. This underlines the need for what the Provincial Auditor has been telling us for several years. We need one, comprehensive document which lays out the entire of the public sector of Saskatchewan so we get a whole, complete overview of the financial position of the province, not piecemeal, not divided into general revenue and Crowns. This is the only way we will get the full picture.

Mr. Speaker, in conclusion, we know that the basic infrastructure of this province has been allowed to deteriorate for many years. We need to get back to basics. We need a government which cares about roads and health and education. We need a government where our ministers are more likely to turn up in Esterhazy than El Salvador. We need leaders who would rather visit the Battlefords than the Philippines. We need a government which is more interested in Gravelbourg than Guyana. We need the Plains hospital, not new planes for the cabinet. Thank you, Mr. Speaker.

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

**Hon. Ms. MacKinnon:** — Thank you, Mr. Speaker. Mr. Speaker, I move that the House do now adjourn.

**The Speaker:** — Order, order, order. Can I ask our guests . . . there's protocol of the House that hon. members remain seated until the mace has been removed and I'll ask the guests to honour the same protocol. Thank you.

The Assembly adjourned at 3:36 p.m.

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