

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

The Speaker: — I recognize the hon. member for Estevan.

Mr. Wall: — Thank you, Mr. Speaker. It is a privilege for me to stand in the House today and present petitions on the important issue of taxation. And I'll read the prayer, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government not to implement the personal income tax review committee's recommendation to expand the provincial sales tax.

Mr. Speaker, there are hundreds of petitions here from Swift Current and across the province.

I so present.

Some Hon. Members: Hear, hear!

The Speaker: — I apologize to the hon. member from Swift Current for having misidentified him as being from Estevan. I apologize.

READING AND RECEIVING PETITIONS

Clerk: — According to order the following petitions presented on December 17 have been reviewed, and pursuant to rule 12(7) they are hereby read and received.

Of citizens of the province praying that your Hon. Assembly cause the government to overrule the Parkland Health Board's decision with regard to the Blaine Lake Medical Clinic; and

Of citizens of the province praying that the Assembly repeal the personal injury benefits contained in the automobile insurance Act; and

Citizens of the province praying that the Assembly cause the provincial government to withdraw from the AIDA program; and

Of citizens of the province praying that the Assembly cause the Minister of Education to stop the closures of classes in Qu'Appelle.

ANNOUNCEMENTS

Introduction of Visiting Clerk

The Speaker: — Hon. members, ladies and gentlemen, before I call for introduction of guests this afternoon, it is my pleasure today to introduce to members of the Assembly, a new face at our Table. Ms. Donna Bryce is a Table officer and committee Clerk in the Legislative Assembly of Ontario; and also serves as

the Legislative Coordinator of the Ontario Legislative Internship program.

Ms. Bryce is on a three-month attachment to our Assembly. During this time she will assist the Clerks with Table duties, administrative responsibilities, and is serving as the primary Clerk to the Special Committee on Tobacco Control.

Please welcome Ms. Bryce to our Table.

Hon. Members: Hear, hear!

Introduction of Pages

The Speaker: — I would also, with your indulgence, also introduce the pages for this session to the members of the Assembly and to you ladies and gentlemen. And I'll ask that the pages stand as I introduce them: Rachel Birns, Charla Borowski, Carla Huber, Brooke Johnston, and Terry Rushworth — your pages for the session.

Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Mr. Thomson: — Thank you, Mr. Speaker. I notice that there's a few guests here today. And so I'd like to . . . rather than starting in the back left corner, I'll start by introducing a group of students that we have joining us here today from Campbell Collegiate.

Campbell is a high school in my riding. They're seated in your west gallery and there are 50 of them here today. This is an important exercise. And I had a chance to meet and answer some questions earlier today with them.

They have great interest in what the Minister of Finance will be announcing in the next couple of hours. And I know that they will undoubtedly have a lot of questions for me after that. So if you would join with me in welcoming the students. Thank you.

Hon. Members: Hear, hear!

The Speaker: — Ladies and gentlemen, at this time before we go on with our business again if I might, I would like to introduce legislative interns visiting our province who are from Ontario. They are seated in my gallery. The program, now in its 24th year, brings eight recent university graduates to Queen's Park every year to work with backbench members from both government and opposition.

The interns provide non-partisan staff assistance while gaining insight into the provincial political process. As part of the program, the interns visit other legislatures to broaden their understanding of parliamentary institutions in Canadian politics.

I would ask them to stand one at a time as I call out their name: Emily Bain, Jennifer Harrington, Stephanie Lu, Kevin Machida, Brandy Miller, Chris Morley, Andrew Owen, and Priya Suagh. Please welcome them.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Accomplishments of Liberal Leader

Ms. Draude: — Mr. Speaker, it's my pleasure to rise today on behalf of the official opposition to congratulate the Leader of the Liberal Party on all of his accomplishments since the election last fall.

I'm sure you are well aware, Mr. Speaker, the hon. member sent a letter to the editor in commemoration of the six-month anniversary of the coalition government. And I would like to highlight some of the comments he made.

Mr. Speaker, the member opposite is taking credit for the grossly inadequate farm aid package, so I can only assume that he is proud of the fact that farmers have not yet seen a single penny of money.

The Leader of the Liberal Party goes on to say he's proud to end the Crown Construction Tendering Agreement. So, Mr. Speaker, he must be proud that this unfair union preference tendering policy will actually be in place for another year, and then will be replaced by even more draconian piece of legislation.

One other area where the member opposite has taken great pride is in the utility rate review commission. Mr. Speaker, you must beam with pride to see Saskatchewan residents dig deeper into their pockets to pay more for the SaskTel and SaskEnergy bills.

Lastly the member opposite is also very proud of their accomplishments in the health care area. For example: closing the Carrot River Hospital, a \$30 million deficit in the Regina Health District, the closure of an operating room in the Regina General, and last but not least, Mr. Speaker, the . . . Saskatchewan's longest hospital waiting list in Canada.

Since the Leader of the Liberal Party has accomplished so much since the election, Mr. Speaker, maybe the Premier should just resign and let the proud member take over.

Some Hon. Members: Hear, hear!

Saskatoon Hi-tech Announcements

Ms. Lorje: — Thank you, Mr. Speaker. As the only member of this legislature who has won her seat four times since last September and as the first Saskatchewan MLA (Member of the Legislative Assembly) to be sworn in in the new millennium, I'm more pleased than you can imagine to be addressing you today, Mr. Speaker. But that's not what I want to talk about.

While the Saskatchewan Party was distracted by the results in the Saskatoon Southeast constituency, the Saskatchewan economy and particularly the businesses and workers of Saskatoon were moving along just fine.

This month we proudly hosted the most successful Canadian Brier ever. In return, the supporters of the Brier gave our local economy quite a boost — a fair trade in anyone's books.

South downtown redevelopment is moving ahead; residential

construction is booming. I am especially proud, Mr. Speaker, that Saskatoon continues to be a leader in high-tech development. More and more firms recognize the value of our most congenial research and development setting.

Just in the last few weeks, Calian Technologies has landed an \$8 million contract for a satellite delivery system and PharmaDerm Laboratories will expand to develop new medical products. There are opportunities, major opportunities, in Saskatoon.

With news like this to report, it's good to be back here in the legislature, Mr. Speaker. I'm here for a good time, and a long time. Thank you.

Some Hon. Members: Hear, hear!

Respect for Budget Address and Response

Mr. D'Autremont: — Thank you, Mr. Speaker. I would like to welcome everyone to the eleventh sitting day of the first session of the twenty-fourth Saskatchewan legislature.

Mr. Speaker, we have many traditions, practices, and rules in this Assembly. These traditions and rules make it possible to have an exchange of ideas and to provide the government people have voted for and elected.

Our House at times can be very boisterous and even raucous. There are other times when we are very solemn. This Assembly, however, is always respectful of the institution of parliament and of the elected members.

Today is budget day, one of our most important days in the legislative calendar. During the delivery of the budget by the Minister of Finance, the members and guests show respect to our legislature and to its traditions by listening attentively from their seats. There likely will be demonstrations of pleasure and displeasure by members during the address as is the tradition in this House.

Upon completion of the minister's presentation, the opposition has an opportunity to respond to the budget address. This aspect of our democracy is as important as the budget presentation and deserves equal respect by all members and guests.

As a show of respect to our democratic institution, the Saskatchewan legislature, I ask that all members and guests remain in their seats until the both the budget address and the official opposition response are completed before leaving the Assembly floor.

Thank you for your co-operation in respecting the democratic process of the Saskatchewan legislature.

Some Hon. Members: Hear, hear!

Growth and Expansion in The Battlefords

Hon. Mr. Hillson: — Thank you, Mr. Speaker. I know how much hon. members always enjoy hearing me talk about The Battlefords, especially today with our mayor present. To properly describe all the great things going on in my

constituency is impossible in the allotted time, but I'll try and contain all the good news to 90 seconds.

First, Mifab Manufacturing celebrated its 10th anniversary. The people of North Battleford celebrated the grand opening of a brand new Wal-Mart, the re-openings of an upgraded Farm Credit Corporation and the North West Regional College. We had the expansion of the Real Canadian Wholesale Club, Lewchuk and Associates, Fabricland, and Canadian Tire.

North Battleford's newly created regional economic development authority will be tested early and often. Construction is now underway in our downtown core and I continually hear rumours that a number of nationally-recognized retail outlets are looking to locate in The Battlefords.

Once again, Mr. Speaker, thank you for this opportunity to spread the good word from North Battleford. I am certainly looking forward to a budget that will point to a brighter future for The Battlefords and all the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Johner Brothers Big Winners

Ms. Eagles: — Thank you, Mr. Speaker. I rise today to recognize the achievements of the Johner Brothers. Mr. Speaker, recently the Johner Brothers received several awards at the Saskatchewan Country Music Association Awards held in Saskatoon. Brad Johner is a constituent of mine. He and his brother Ken have worked very hard in this competitive industry but despite the hectic schedule and travel they continue to place their family first, and I'm so proud of them. Mr. Speaker, I ask everyone to join me in offering our congratulations.

Some Hon. Members: Hear, hear!

Previous Budgets

Mr. Trew: — Thank you, Mr. Speaker. In a few minutes our many gathered guests and MLAs (Members of the Legislative Assembly) will be hearing the Minister of Finance deliver Saskatchewan's seventh consecutive balanced budget, Mr. Speaker — lucky seven.

I predict this budget will balance the priorities of debt reduction, program enhancement, and tax fairness — much like all the budgets that we've delivered under various Finance ministers, the member for Saskatoon Idylwyld, and the patron saint of Finance ministers, Ed Tchorzewski. Several of those ministers have had sage and steady help from associate ministers John Penner and Ned Shillington.

I mention all the Finance ministers of this government, Mr. Speaker, because this budget will be very much of a piece with those that came before it. It will bear the stamp of the member from Saskatoon Mount Royal and it will show its kinship with his predecessors.

For instance, Mr. Speaker, this budget will, I dare say, present valuable tax reduction — fair, targeted, and affordable tax reduction — just as in 1997 when the PST (provincial sales tax)

was reduced by 2 cents, then last year by a further cent; just as in 1998 when the personal income tax was reduced as it was again last year. In fact, Mr. Speaker, every year since 1992 we've had targeted, effective tax adjustments.

In other words, Mr. Speaker, today we get not a new book, but a new chapter in a continuing and very happy story.

Some Hon. Members: Hear, hear!

Student Project on Racism

Mr. Wiberg: — Thank you, Mr. Speaker. Mr. Speaker, it is my distinct pleasure today to rise in this Assembly on behalf of five of my constituents from Saskatchewan Rivers. Mr. Speaker, Lauren Bunes, Tami Brandrick, Mandy Ethier, Terra Lennox-Zepp, and Lindsay Ward are all grade 11 students at Wesmor Community High School in Prince Albert.

These young ladies prepared a project which included a puppet show geared toward a young audience. This show depicts a horse and an alligator to illustrate how racism can be overcome.

Mr. Speaker, a great deal of thought, effort, and energy went into their pictures and notes. The story tells how the horse and alligator don't like each other at first because of their differences. But once they discover they actually have a lot in common, they become friends.

Mr. Speaker, Lauren, Tami, Mandy, Terra and Lindsay have given these anti-racism workshops and puppet shows at various elementary schools for children in kindergarten. And, Mr. Speaker, I am proud to announce that they have been travelling to 10 cities across Canada, including Toronto, Vancouver, and Ottawa, to give their presentation.

Mr. Speaker, racism can not and will not be tolerated in our society and I am pleased to see today's youth are indeed spreading such a positive message.

Mr. Speaker, members of the Assembly, please join me in congratulating Lauren Bunes, Tami Brandrick, Mandy Ethier, Terra Lennox-Zepp, and Lindsay Ward on their remarkable achievement. Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Income Tax Cuts

Mr. Hermanson: — Thank you, Mr. Speaker. It's good to be back and have a chance to hold the government accountable.

Mr. Speaker, my question of course is for the Minister of Finance. Well, Mr. Minister, today's the day. Today's the day we find out whether you actually heard the wake-up call you got last September or whether you hit the snooze button and rolled over and went back to sleep.

Saskatchewan taxpayers want you to cut their income tax without increasing the PST. That's the message. Pretty clear. The question is: did you get that message?

Mr. Minister, will you keep your election promise? Will you deliver a budget that cuts income tax without expanding the PST?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the Minister of Finance obviously will be delivering this much anticipated budget very shortly and of course the question that the Leader of the Opposition asks will be answered very concisely at that time.

But I can tell the Leader of the Opposition, as I can tell the members of this Assembly, that this budget will be in the tradition of the budgets since 1991. They will be balanced; they will be compassionate; they'll be fair. They'll be dealing with the debt; they'll be dealing with all the issues that concern the people of Saskatchewan in health care and education. And they will add up. They'll make sense and they'll add up. Something that your party and your predecessor party was not able ever to do.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Well thank you, Mr. Speaker. Mr. Minister, we won't get into rhetoric, but we will mention that every other jurisdiction in the country is cutting income tax without increasing other taxes including the PST.

But that isn't the nature of this government is it? I know it's hard for the Finance minister, it's hard for him to put a dollar back into someone's pocket without reaching into the other pocket and grabbing it back out again. He just can't help himself, Mr. Premier.

Mr. Premier, did your government resist the temptation this time? Or are you going to do what you always do — give us a tax cut with one hand, and then pick our pockets with the other.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Thank you, Mr. Speaker, and I thank the Leader of the Opposition for the question.

Ever since we balanced the budget, in 1994-95 I believe it was . . . by the way, the first government, provincial or federal, in Canada in recent history to do that.

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — And in the face of what I may say, when we inherited government in 1991, the largest per capita, per capita debt of any province in Canada, thanks to those people sitting over there.

Since we balanced, we are able to do a balanced approach in a budget. And I mean by that, Mr. Speaker, with the surplus dollar a portion has gone to debt reduction, a portion has gone to health care and education, significant programs for people. And ever since we've balanced, we have reduced the taxes.

But I'll tell you something that we've not done. We've not done what Ontario has done — cut taxes and continue to run huge deficits adding to the debt. This is a responsible government

with a responsible budget as you'll hear in the next few minutes.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. Of course you know the Premier, both as a minister in a previous government and in his own government, have also increased the debt of this province.

But Mr. Premier, taxpayers are expecting tax cuts. Not soon, not about now, but right now. And let's not forget you've already increased SaskTel and SaskEnergy rates by \$40 million this year so if you cut taxes by even \$40 million you just get taxpayers back to where they were. So clearly the tax cut in this year's budget must be much more than \$40 million to have any real impact whatsoever.

The people of our province can hardly wait. Quite frankly, I can hardly wait. Mr. Premier, are you going to follow the lead of other provinces? Will you deliver a major tax cut this year?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I can only do . . . and I know the hon. member, being a former member of the House of Commons, knows that the rules of the House are such that the budget will be delivered in the next few minutes. And I can't reveal the aspects of the budget; it's not my job. That honour falls on the Minister of Finance.

But I can tell the Leader of the Opposition that unlike anything that the Conservatives and their successors, the so-called Saskatchewan Party sitting opposite have done, this budget will not indebt the people of the province of Saskatchewan. And what it will do, it will be budget of growth and opportunity and optimism in the greatest province in the greatest country in which to live. Just hold your horses, you're going to hear a fantastic budget in the next few moments.

Some Hon. Members: Hear, hear!

Health Care Funding

Mr. Gantefer: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Health.

Madam Minister, thanks to eight years of disastrous management by your NDP (New Democratic Party) government, we are staring at a full-blown health care crisis. Quotes like "We've hit the wall. The health system is on the ropes." Madam Minister, if those words sound familiar to you, they should. That's how you described your health care system just last week.

The federal government has already announced \$150 million in one-time health care funding for Saskatchewan. Madam Minister, will the province follow suit? Will this year's budget include an increase in funding over what health districts received last year that at least covers the cost of inflation, or will your message to health districts be, zap, you're frozen?

Hon. Mr. Romanow: — Mr. Speaker, again this is in the

question of wanting us, as government, to try to reveal what's in the budget in advance, and of course the member knows that that will be happening, as I say again, in the next short few moments.

We all know that the federal government needs to come up with more money for health care. I think even you folks on the opposite side will acknowledge that. We need also to make sure that health care for the 21st century is designed to be that — an effective health care system for the 21st century.

What we do not need is what your party advocated prior to the last election as reported in the *StarPhoenix* in reviewing your platform. Quote: October 31, 1998, referring to your plan:

It has no plans to address concerns in health care. There's no prescription to cure the bed closures, surgical waiting lists, nursing shortages. All they will do is hire an ombudsman to whom people can complain.

That is your program, and zap, you're frozen for five years. Not one penny extra for health care. That was what your leader and what you campaigned on. That's not us. We support and defend medicare in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Gantfoer: — Mr. Speaker. Well, Mr. Premier, we'll see soon enough who does the zap, you're frozen trick in this legislature.

Madam Minister, with this year's health care district deficits running in excess of \$50 million — this year alone — isn't it time to admit you've seriously neglected the health care system? Isn't it time you clean up the mess your government has created?

Madam Minister, will you be announcing in today's budget proper funding for health care? Will you be announcing a value-for-money audit and a complete review of the system so you can fix the mess that you've created?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I want all members of this Legislative Assembly and the public to note what the official opposition, the so-called Saskatchewan Party, is advocating. They want us to have a value for audit conducted on the health care system.

What they want to do is they want . . . what they want to do is bring out all of the pencil sharpeners — all the pencil sharpeners after we gave 10 per cent last year and 9 per cent the year before that time — what they would have us do is bring out all the pencil sharpeners and monitor every nurse's work time, monitor every doctor's time, monitor everybody who works as an orderly, monitor everybody Texas style as an audit on top of the five-year audit.

Because that is the way that they believe in health care . . . They believe that if you freeze the spending, you can find the savings by having a Texas-style audit. They believe in two-tier medicine, private medicine, and I tell you that is not our

position at all. We believe in the five principles of health care and this budget will reflect it.

No, not zap you're frozen as you're advocating.

Some Hon. Members: Hear, hear!

Education Funding

Ms. Draude: — Thank you, Mr. Speaker. My question is for the Minister of Education. Mr. Minister, it is great to finally get a glimpse of you here in the legislature. We've been trying to meet for a number of months. Unfortunately it hasn't been possible because you've had to cancel every one of the eight meetings we've had set up.

Mr. Minister, it may come as news to you that education is a priority for Saskatchewan families, even if it isn't for your NDP government. Thanks to your new-found NDP friends, education funding has been cut by more than \$380 million since 1991.

Mr. Minister, will you follow through on your election promise to make education a priority. Will you provide enough funding to cover the cost of the new teachers' contract as well as increased costs for out-of-scope workers, special needs children, rising utility costs.

Mr. Minister, is this budget going to show your real commitment to education?

Hon. Mr. Romanow: — Again this question is in the line of the previous questions about what's going to happen in the budget, and I'm answering the questions on behalf of the government. Because as I tell the hon. member, as I tell the Hon. Leader of the Opposition, the Minister of Finance will be telling the people of this legislature very, very shortly what's in education.

I want to tell you that we are committed to the best in K to 12, the best in post-secondary education, and the previous budgets have so reflected this.

What we are not committed to is your second five-year freeze. You had a first five-year freeze on health care where there was not to be one extra penny for health care. That's what you campaigned on. And you also campaigned on the fact that there'd be not one extra penny for education — not one extra penny for education. That's the only way that they could finance their so-called tax cuts that they campaigned on in the election of September 16. In the consequence, if we had adopted your platform, K to 12 and post-secondary would have been decimated.

We believe in a knowledge-based society and economy, and this budget will reflect that.

Some Hon. Members: Hear, hear!

Ms. Draude: — Mr. Speaker, if this budget is going to reflect the government's continued commitment to K to 12 education, everybody should be really worried.

I have a second question for the Education minister. I know that

over the past six months he's managed to squeeze in the odd school visit, and I'm sure that he's noticed that things are being held together by a lot of duct tape and binder twine. That's because the NDP has ignored the capital needs of school divisions for eight years.

Mr. Minister, isn't it time to make a real commitment to education. Can school divisions expect to have their capital budgets increased this year or will your NDP government continue to allow our school system to fall apart at the seams?

Hon. Mr. Romanow: — Thank you very much, Mr. Speaker. The coalition government of the Liberals and the New Democrats are committed to education. That is one of the foundations behind this coalition which we have arranged and which I believe is working very, very well; working very well to the advantage of the people in the province of Saskatchewan. But I repeat again that we have never campaigned — the Liberals never did and the New Democratic Party never campaigned once — on freezing health care.

And if the hon. member from Kelvington is so committed to the future of education, I have here in front of me, Mr. Speaker, her platform in the last election campaign as contained right here in this pamphlet. I defy her or anybody in this Legislative Assembly, either as a sitting member or anywhere in the public or anybody watching on television, to find one mention of the word education anywhere. That's how much they care about education.

Some Hon. Members: Hear, hear!

Taxation of Off-Reserve Purchases

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Finance. Mr. Minister, since our founding convention in 1997, the Saskatchewan Party has been calling for tax fairness. That means, among other things, requiring that First Nations persons pay the PST on purchases made off reserve. That is the position of the Saskatchewan Party; that is the position of the Canadian taxpayers association; that is the position of the Vicq report; and that is the position of the vast majority of Saskatchewan taxpayers.

Mr. Minister, will today's budget adopt the Saskatchewan Party position on tax fairness for First Nations persons?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the question is predicated on the government, the coalition government adopting a platform commitment of the so-called Saskatchewan Party. That's not to say that there aren't some ideas in the platform — very few as they are — that merit some consideration. There are one or two that merit some consideration, and where we can get a good idea, even from the Saskatchewan Party, we'll adopt it.

But I simply indicate to the hon. member opposite what will take place on this particular issue again will be announced in the next few minutes by the Minister of Finance when he gives his report. This is a contentious matter and it's one which has meritorious arguments on all sides.

It was Mr. Vicq's committee which in fact spoke to the issue; Mr. Vicq's committee which did the analytical study and the analysis behind this — not to say that the Saskatchewan Party has spoken on it. But it is the Vicq analysis that I think we will be looking at and have been looking at plus all the other input from the community at large in deciding this budget.

I say to the hon. member opposite, in just a few more minutes it will all be out before the public and then you can make your comment as to whether it's good or bad.

Some Hon. Members: Hear, hear!

Ms. Julé: — Mr. Speaker, the NDP has always been against our position on tax fairness even though every other jurisdiction in Canada charges the PST on off-reserve purchases. The NDP has called this policy unfair. They said that it was illegal. They said it violates the treaties. They said it was an attack on First Nations persons. In fact, they stopped just short of calling it racist.

Mr. Minister, will you admit today that you are wrong. Does your budget adopt the Saskatchewan Party position on tax fairness for First Nations persons?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Again, Mr. Speaker, I don't want to get into the particulars, the wordplay about the Saskatchewan Party position. In a sense it's . . . I suppose has some merit. I have here a document by WEFA, which is being used very extensively by the Saskatchewan Party, "Sharing Saskatchewan's Fiscal Dividend." This was released in August of 1999, just prior to the election.

By the way I might add, parenthetically speaking, that at the time that they released the report, the headline in the *Leader-Post* was, "Province tops in productivity growth." According to whom? A study by WEFA Canada Ltd., the very group that the members opposite used against us.

Take a look at this paper, Mr. Speaker, and again you'll see absolutely no mention of the issue that she claims credit for. The point that I want to say to you, sir, Mr. Speaker, and to the members of the House, and to that member in particular, is wait until the budget is delivered. This is a budget of hope, prosperity, and it is optimism brimming to the full, showing Saskatchewan is the most dynamic, most progressive, positive province in the country in which to live.

Some Hon. Members: Hear, hear!

Funding for Additional Police Officers

Mr. Wall: — Mr. Speaker, my question this afternoon is for the Minister of Justice. During the last provincial election campaign the NDP promised to get tough on crime. They promised to provide funding to hire another 200 RCMP (Royal Canadian Mounted Police) and municipal officers.

Mr. Speaker, my question for the Minister of Justice is simple: will there be funding allocated in this provincial budget for these 200 additional police officers in Saskatchewan?

Hon. Mr. Romanow: — I guess I've got to say it over again about waiting for a few more minutes. But I'd ask the members of the Assembly, Mr. Speaker, to take a look at the tone of the questions put forward by the Saskatchewan Party: cut taxes, spend more on health, spend more on education, spend more for the police officers, have a Texas-style audit on health care, spend here, spend there, willy-nilly. This is the same old bunch that was in power from 1982 to 1991.

And while I'm very sorry that the hon. member from Canora-Pelly is incapacitated, the Finance critic, one thing I want to pay tribute to the Leader of the Opposition, I agree with him totally — I think he made the best decision going in naming himself the Finance critic for the Saskatchewan Party. Because if I were you, I wouldn't trust any one of those Tories behind you to do the job.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. The Premier talks about the tone of our questions. Mr. Speaker, the tone of our questions is pretty basic as well. It's about holding the government accountable to the promises that it made during the last election campaign.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, just over a week ago in a response to a letter I wrote to the minister on this issue, he said that the Government of Saskatchewan is considering the election promise for 200 new police officers as part of this budget.

Mr. Speaker, my question to the Premier is simple: what is there to consider? Mr. Premier, you yourself made the promise for 200 additional police officers in the province of Saskatchewan. Can you assure the representatives of policing agencies that are here today that this budget will keep that promise?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I believe — I'm going by recollection but I'm quite sure I'm accurate in this — the election promise taken by ourselves, to which the coalition partners are in agreement, is that there would be 200 extra police officers over the four-year period of the administration. And that is a commitment, that is a commitment to which we stand.

We believe it is the right of everybody in Saskatchewan to have safe streets, safe communities, and to make sure that they live in safety in their homes and walk in safety on their streets. There's no doubt about that.

But I repeat to the hon. member opposite, the best thing that I would urge him to do is to wait until the budget is announced. And we're not going to be able to, to be quite honest with you, to agree — forgetting about the policing issue for the moment — on every aspect of that four-year platform in one budget. But I can tell you one thing. Unlike the Saskatchewan Party and the PC (Progressive Conservative) Party of Saskatchewan, the promises that we make, we keep.

Some Hon. Members: Hear, hear!

Funding for Local Governments

Mr. Bjornerud: — Thank you Mr. Speaker. Mr. Premier, I should just remind you, you've got double the promises to keep this time and we'll be watching that you keep accountable for them.

Mr. Speaker, my question's for the Minister of Municipal Affairs. Mr. Speaker, municipalities across the province are dealing with many issues at this time, the least of which is the subject of amalgamation. But they also have been dealing for many years with provincial off-loading and the taxpayers are struggling under this burden.

Mr. Minister, will you give municipal governments and taxpayers in this province a reason for optimism today and ensure them that this provincial budget will provide increased funding for municipal structure and roads?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I want to say first of all that local governments have fulfilled a very important role in the fabric of Saskatchewan and in the economic and societal development of the province of Saskatchewan. And we recognize that that role is very important. And we recognized them with respect to previous budgets and contributions thereof.

I simply want to say to the member opposite that related to this whole issue are the simple facts that they refuse to accept but cannot be ignored. Here's the Saskatoon *StarPhoenix* of March 11, "Provincial economy grows jobs." Well, Mr. Speaker, the best in the country.

Here's today's business report, "Forecast calls for growth," even in the midst of an agricultural problem that we have. Now how does this happen? It happens because individual farming people, individual entrepreneurs, risk and invest and work hard.

But it also happens because the government of the day sets a climate, sets a policy with respect to budget which is progressive, which is optimistic, which is growth oriented, and is balanced. And that is what the Minister of Finance will deliver today.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, in last fall's campaign literature, the NDP stated if re-elected they would work with communities to build on the province's strengths. They promised to maintain and renew Saskatchewan's rural and northern transportation system. They promised to improve our municipal infrastructure program.

Mr. Speaker, I ask the Minister of Municipal Affairs if this provincial budget will provide some relief to municipalities who have had their provincial funding reduced by two-thirds since 1992.

Mr. Minister, or Mr. Premier, will there be substantial funding increases in this budget for roads, water and supplies, sewer systems, and general infrastructure in rural Saskatchewan and in urban Saskatchewan, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, I don't know how many times I can say it, but I'll say it again to the hon. member from Saltcoats, as I said to the Leader of the Opposition, just hold your horses. We've got about another question or two at the most for question period to end and then the budget will be delivered. Hold you horses.

But I have some other advice for the member from Saltcoats. Don't work to wish so hard for what you want because you might just get it and you may not like it all. You might just get it. You're going to get a budget that will be in the interests of the province of Saskatchewan — interests of the province of Saskatchewan — which will be based, as I say again, on growth, optimism, and opportunity. Just hold your horses and then you can make your judgment call.

Some Hon. Members: Hear, hear!

Safety Net for Agriculture

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Agriculture.

Mr. Minister, will the farmers, the farm families of Saskatchewan see in today's budget detail of your long promised — promised since 1992 after the removal of the GRIP program (gross revenue insurance program) — will farmers today see detail of a long-term safety net program that they desperately need to put them on a level playing field with American and European farmers? Will the farmers of Saskatchewan see detail in the budget of that today?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, the budget again will be read momentarily, but I do want to say about agriculture, this province can be very proud of what we've done for support to our farming community.

The members opposite, they don't like to hear this. I heard during members' statements, the member from Cannington saying that we deserve the right to be heard. Apparently that is only one way as far as the Saskatchewan Party is concerned.

So I'll repeat again, Mr. Speaker, we give \$300 per capita taxpayers in farm assistance programs. That's not counting the 80 million cash, not counting what's going to be in the budget today. That is two and a half times more of the province which is closest to us, that's PEI. We even beat Alberta, we beat Manitoba, and we beat Ontario. That's what we do.

We have a record of which we can be very proud. Of course we'd like to have more assistance, of course we want a safety net program — I think it's a legitimate question — into place. The minister is working on it here provincially with his federal provincial counterparts.

Agriculture is a mainstay of this province. We are strong supporters and believers in the family farm as the way of life and an important economic future engine too, of growth.

Some Hon. Members: Hear, hear!

ANNOUNCEMENTS

Notice from the Chief Electoral Officer

The Speaker: — Hon. members, before orders of the day, it is my duty to inform you that the Clerk of the Legislative Assembly has received from the Chief Electoral Officer, certificates of the following elections and returns:

Of Pat Lorje for the constituency of Saskatoon Southeast;
of Glen McPherson, for the constituency of Wood River.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Kowalsky: — Mr. Speaker, I'm very pleased to submit the written answer to the question 37 from a government that's open, accountable, responsible, and happy.

The Speaker: — The answer to the question is tabled.

Mr. Kowalsky: — Mr. Speaker, the answer for question no. 38.

The Speaker: — The answer is tabled.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

Hon. Mr. Cline: — Mr. Speaker, with thanks to my colleagues for that warm welcome. Before I begin the budget speech, I want to inform the House that I have a message from Her Honour the Lieutenant Governor.

The Speaker: — I would ask all hon. members to please stand while I read the message from Her Honour. The message is as follows:

From the Office of the Lieutenant Governor. The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 2001, and supplementary estimates of certain sums required for the service of the province for 12 months ending March 31, 2000, and recommend the same to the Legislative Assembly. Hon. Lynda M. Haverstock, Lieutenant Governor, province of Saskatchewan.

Thank you.

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

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

Motion agreed to.

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

Hon. Mr. Cline: — Thank you, Mr. Speaker. Mr. Speaker, it's my privilege to stand in this House today to present Saskatchewan's first budget of the 21st century. And before I do that, I'd like to take a moment, with your indulgence, Mr. Speaker, to introduce a few special guests among the many very special people here today.

Firstly, my wife, Pauline Melis, who works at the University of Saskatchewan in Saskatoon.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Secondly, our very good friend, Vera Pezer, who assists students also in her work at the University of Saskatchewan. And I might add, Mr. Speaker, that Vera is also known for having won the Canadian women's curling championship on four separate occasions and her rink was recently named by Saskatoon *StarPhoenix* as Saskatoon's team of the century. And, thank you, Vera.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And also, Mr. Speaker, I'd like to introduce Dorothy Ross, and Dorothy resides in my constituency in Saskatoon. Every morning Dorothy gets up and she walks to Pleasant Hill School, as she has done for the last 17 and a half years, in order to prepare breakfast for the children at Pleasant Hill School. And I want to say also, Mr. Speaker, that once in a while I accompany Dorothy and make breakfast much to the culinary delight of all concerned, I might add. Welcome, Dorothy.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And last but not least I'd like to introduce Joe McMaster from Plenty, now living in Saskatoon and going to school, who is a very good student, studying political science, and also quite a good hockey player and coach. And he takes an active interest in political affairs, which I am glad to see. And welcome, Joe.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, the shift to a new century provides us with a special energy for change, to look not back at what was, but ahead to what can be.

I say to the people of Saskatchewan that it is time to move forward. It is time to address pressing challenges in innovative ways, to shape our future with a solid plan for the growth of our economy and, more importantly, the growth of our society.

By taking bold, thoughtful, forward-looking action today, we will achieve our vision for the future — a vision of a Saskatchewan where people choose to live and work based on the strong bonds of family and community; where responsive, effective, public services support and enhance each person's ability to lead a meaningful, satisfying life; and where our

young people can build an exciting and productive future; where they will find real opportunities to develop their talents to contribute to and benefit from a dynamic, growing economy.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, we are entering a new century. We're on the threshold of change and opportunity. The question before us is this. Do we, the people of Saskatchewan, have the vision and the courage to step over that threshold, through the door, and into the future? I say we do.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And this budget says let us begin shaping that future today.

In my budget address today I'll describe a broad, four-point plan for growth and opportunity in Saskatchewan — a plan we intend to follow not just in the coming months, but over the coming years. The key areas of this plan for growth and opportunity are: fiscal responsibility and good government; a sustainable, responsive health system; economic growth and jobs; and tax reform.

First things first. Fiscal responsibility and good government. Mr. Speaker, sound financial management is a hallmark of this government. Our responsible, balanced approach has supported the longest period of sustained growth since the 1970s.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — It has allowed us to invest in important public services and reduced taxes each and every year since we balanced the budget in 1994-95, and to reduce Saskatchewan's debt from almost 70 per cent of gross domestic product to less than 38 per cent today, falling to 31 per cent under the four-year plan being presented by this budget Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Sound management has encouraged confidence in our economy and in our ability to manage through good times and bad, but that success remains vulnerable to forces beyond our control. Over the past few years, we've seen clear evidence of the volatility of our economy. Our revenues can rise and fall dramatically from year to year depending upon global forces such as the price of oil.

While we may have no control over these fluctuations, good planning allows us to prepare for them despite the demands of those who would spend all our revenues and more as soon as they're generated. Simply put, our plan for the future starts with the fundamentals.

Today I am announcing the creation of a new fiscal stabilization fund to strengthen our capacity to respond to the long-term needs of Saskatchewan residents. Our goal will be 5 per cent of our annual revenue set aside in this fund in order to deal with drops in our revenues when they occur, and to ensure that when they do occur the people of this province will not see higher taxes, cuts to services, or a return to deficits and growing debt. Our target level for the fund will be clear and the use of the

fund completely transparent.

Mr. Speaker, good government is something that every citizen in a democracy expects and deserves. Careful financial management is part of it. Accountability is another. Over the past year, we've been developing a new accountability framework that will outline the goals, objectives, and achievement targets of provincial government, its departments and agencies. The framework will be fully implemented over the next few years giving Saskatchewan people solid reference points by which to judge the performance of their government.

Mr. Speaker, when we look at our fiscal situation what do we see? We see today Saskatchewan's seventh consecutive balanced budget.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — The seventh consecutive budget with no personal income tax increases.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — The sixth consecutive budget that will reduce taxes.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Five credit rating upgrades in the last four years.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And we're back to straight A's all across the credit rating agencies, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Eight straight years of economic growth, declining debt, interests costs down \$200 million a year.

Mr. Speaker, that is good public policy, that is good economics, that is good government, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, that is our record and that is our plan.

I want to turn now to the issue that is of significant concern to people throughout our province, and indeed our nation. That of course is the future of our health system, the second part of our plan.

The recent federal budget was a huge disappointment to Saskatchewan, and to all provinces in this regard. What was once a strong commitment by Ottawa to medicare, a health system that is the envy of the world, has become little more than lip service.

Let us not fool ourselves. With the federal government paying only 13 cents of every health dollar, the future of Saskatchewan's health system is in our hands alone.

Today there are major challenges to achieving a sustainable health system. New technologies, new drugs, new treatments, an aging population, increased utilization, better home care and more preventive services, these have had the twofold impact of improving care and increasing costs.

Two years ago, we increased health spending by 8 per cent, and last year by 11 per cent. We have to protect our health care system while changing the trend toward skyrocketing costs. And to do that, changes will have to be made.

We recognize that change is never easy. And we recognize that additional funding will be needed to ease the transition to the health system of tomorrow. To back our commitment to renewing the health system, we will put in place the necessary measures to get it done.

These measures will include an injection into our health system of \$213 million this year.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Of which, Mr. Speaker, \$150 million will be placed in a health transition fund to provide one-time support toward building the health system of the future. Because let's be clear on one thing, Mr. Speaker. There's a future for medicare here in Saskatchewan which is, after all, the birthplace of public health care in this country.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We will be working with health districts, health providers, and the public to develop the very best sustainable and effective health system for the 21st century. That is good economics, that is good public policy, and that, Mr. Speaker, is responsible government.

Some Hon. Members: Hear, hear!

(1430)

Hon. Mr. Cline: — Now let me turn to the third part of our plan, which is also our most important opportunity — creating an economy that realizes the vast potential of our great province.

Building an economy of growth and opportunity obviously includes economic development, but it also requires social development. Our plan includes both. We seek to build an economy and a society that focuses on the tremendous energy of our people; provides opportunities for them to innovate and contribute; and rewards them for working hard, taking risks, and giving back to society.

Some of this government's greatest success has come from our strong belief in this fundamental principle of sharing economic opportunity through sound social development. Our building independence strategy has been instrumental in reducing dependence on welfare and removing barriers to entering the workforce.

In particular, the Saskatchewan employment supplement has started to break down the so-called welfare wall. In the past five

years, 6,000 households in this province have left the welfare rolls.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And the anti-poverty coalition, campaign 2000, says, Saskatchewan is the only province to reduce the incidence of child poverty.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Our nationally acclaimed Saskatchewan Action Plan for Children has also played a key role in ensuring Saskatchewan children and families have had the support they need to live with dignity and independence. It has provided support to children and families most in need through services such as nutrition programs, school allowances, infant care for teen mothers, early childhood intervention, and social housing.

Building independence and the Action Plan for Children have become models of success attracting national and even international attention. They clearly demonstrate this government's commitment and the commitment of all Saskatchewan people to ensuring that opportunity extends to all members of our society regardless of their financial circumstances.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, a plan for growth and opportunity must focus on our young people, on ensuring that they have the skills they need to take our economy into the future. It must include a plan for education and training because the new economy is a knowledge-based economy.

That is why this budget includes increased funding for our K to 12 school system to hold the quality of education to its highest standard, focusing on special education, community schools in the North, pre-kindergarten programs, and new distance learning initiatives.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Capital funding to complete up to 115 school projects this year to ensure modern, safe and healthy schools for all Saskatchewan children.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Increased operating funding for our universities and capital funding for important projects, including the Thorvaldson and Kinesiology buildings at the University of Saskatchewan.

Increased capacity in the registered nurse and licensed practical nurse programs. New funding for technology-enhanced learning. More support for people with disabilities to access education and training.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And increased operating grants for regional colleges and SIAST (Saskatchewan Institute of Applied Science

and Technology) as well as universities to maintain the quality of our post-secondary systems.

Mr. Speaker, this government is committed to job and skills training that makes sense for Saskatchewan people. This budget provides training opportunities for thousands of Saskatchewan residents through our apprenticeship, adult basic education and other employment programs. Included in the budget are increased funding for the Skills Training Benefit, and a new Forestry Training Strategy.

For post-secondary students, our student assistance programs are among the best in Canada. Mr. Speaker, as is well known, ideas were advanced in the last general election proposing payment of full tuition for one year or partial tuition each year.

As is also well known, these ideas prompted much public debate leading to a consultation process conducted by the Minister of Post-Secondary Education and Skills Training and the Minister of Education. We have listened to students, parents, faculty members, administrators, and the public at large. We have been advised that the wisest investment in this regard is to improve the ability of our universities, SIAST (Saskatchewan Institute of Applied Science and Technology), and regional colleges, to provide the education and training our young people need. Accordingly, this budget directs increased funding towards higher education. That is the first message we received.

The second message was the idea that there must be also be opportunities for our students beyond graduation. The energy, creativity, and drive of young people are critical to Saskatchewan's future. We want our graduating students to stay in Saskatchewan and contribute to shaping our future. We also want graduating students from across Canada to come to Saskatchewan. So I'm very pleased to announce that beginning in 2000, every post-secondary graduate who chooses Saskatchewan will receive a tax credit that can be used over a four-year period to help them establish their careers in our province.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We will invest in education to build the new economy, and our province will promote more growth and prosperity and opportunity in a knowledge economy through a strong underpinning of research and development. R&D (research and development) is key to creating new jobs in the new economy.

So I'm pleased to announce that this budget will keep building our province's research infrastructure with continued commitment to a test centre to reduce carbon dioxide emissions and increase oil recovery. Two new facilities at Regina research park dedicated to petroleum technology research and information technology, construction at Saskatoon's renown Innovation Place with the addition of new agricultural research centre, and the Canadian Light Source Synchrotron, this nation's largest scientific project scheduled for completion in 2003. The Synchrotron will attract researchers from around the world and is a strong symbol of our growing reputation for excellence in research.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — But there's more, Mr. Speaker. To further strengthen our research opportunities and investments, I am pleased to announce the establishment of the new innovation and science fund. The innovation and science fund will help increase the capacity of our research institutions and encourage new partnerships.

Furthermore, it will enhance our ability to attract new federal investment through the Canada Foundation for Innovation. This fund with \$10 million a year will attract the total R&D pool of up to \$100 million over four years, major new investments that will build on our tradition of innovation.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, another crucial element of growth and opportunity is agriculture and the development of our rural economy. This province has a strong future because Saskatchewan people are able to see beyond what is, to what can be.

The success stories in Saskatchewan agriculture are many. In spite of the current difficulties, Saskatchewan farm families forge ahead with new ideas and new directions for the future. New crops, such as pulses and organic crops, and new initiatives in livestock and agricultural processing, are bolstering the drive towards growth and opportunities in agriculture and agri-value.

There are many challenges. The recent downturn in agricultural markets puts a sharp focus on the changing face of agriculture and our rural economy.

American writer and educator John Gardner said, "We are all faced with a series of great opportunities, brilliantly disguised as insoluble problems."

Our farmers have had the courage and vision to look past that disguise to find new opportunities, and our government will look beyond short-term solutions that do nothing to prepare us for the future.

In February, following months of intensive negotiation, our government secured an agreement with Ottawa that will put needed cash in the pockets of Saskatchewan producers in time for spring seeding.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — We continue to work towards long-term solutions with the federal government and will continue, Mr. Speaker, to support Saskatchewan people in seizing new opportunities through investment in areas such as research and development and new generation co-ops.

We're reducing the producers' share of crop insurance premiums to make it more affordable.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And we're going to do more. I'm very

pleased to announce that effective immediately and retroactive to January 1, 2000, the cap on the farm fuel rebate program eligibility will be eliminated.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Farmers will be fully reimbursed for provincial fuel tax on all their fuel purchases used in farming operations, reducing input costs today and in the future. There will be no provincial tax on farm fuel, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — As we work with farmers to build a new future for agriculture, we must also deal with the current realities. So to further assist this important industry in a difficult time, I am pleased to announce that this government will provide Saskatchewan farmers with a property tax rebate of \$25 million in the year 2000, and another \$25 million in 2001.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, our abundant natural resources, sensibly and sustainably developed, will also contribute to create new opportunities for growth in Saskatchewan.

This budget looks to the future of our northern communities with a special forest fire contingency to manage the risk of extreme forest fire seasons and their threat to communities in the North, and a new forestry industry development plan, including new industrial plants, new partnerships, and new training initiatives. These major forestry initiatives are an important step in developing our northern economy. They are also key to building real partnerships with Saskatchewan's Aboriginal people.

In forestry, in the North and elsewhere, success demands that all people participate in, contribute to, and increase the wealth of our province. In pursuit of this important goal, this budget will provide continued support to create opportunities for Aboriginal people through the multi-party training plan, the Saskatchewan Indian Federated College, Gabriel Dumont Institute, the northern teacher education program, and the Saskatchewan urban native teacher education program, Indian and Metis education development services, the Aboriginal employment development program, and the forestry training strategy.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — The goal is simple and it's achievable — full Aboriginal participation in our economy and nothing less.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, another element of growth and opportunity is the development of our physical assets — our roads, highways, schools, colleges, universities, social housing, municipal infrastructure, our environment, parks, and heritage properties.

For starters, I'm pleased to announce that this budget makes a

\$250 million investment in our highways and roads, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Which is, Mr. Speaker, the largest investment in the history of Saskatchewan.

Some Hon. Members: Hear, hear!

(1445)

Hon. Mr. Cline: — That is how we'll ensure our transportation system supports new opportunities and the economy of the future. This is in addition to \$26 million provided to local roads through our provincial municipal revenue-sharing arrangement.

And I'm proud to make a further announcement on this topic: namely a \$120 million Centenary Capital Fund — \$30 million a year to help communities address specific infrastructure needs over the next four years.

Some Hon. Members: Hear, hear.

Hon. Mr. Cline: — This is a plan to build a bridge to the new economy. A plan that this year will invest \$5 million more for upgrading our parks and heritage properties, \$5 million more for social housing, \$5 million more for school capital projects, \$5 million more for capital investment in universities, SIAST, and regional colleges, adding to last year's substantial commitment.

Five million dollars more for municipal infrastructure, supplementing the \$10 million provincial-municipal infrastructure program established last year, and \$5 million more for transportation, highways, railroads, and environmental cleanup.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — In allocating these funds, we will be mindful of the need to develop a stronger northern economy. To this end, the criteria used to allocate monies from all the categories within the Centenary Capital Fund will ensure a minimum of \$5 million a year will go to the North.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And we will address northern water and sewer needs through a multi-year capital program.

Mr. Speaker, the funding we are providing for transportation and infrastructure is a substantial investment in Saskatchewan's future.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — And we will also work to continue to develop a federal-provincial— municipal program to build on our efforts to upgrade and modernize Saskatchewan communities.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — As you can see, this budget will help create a future of growth and opportunity that is good economics and good government for the people of this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — This brings me to the final topic of my address today, the fourth and final part of our four-point plan for growth and opportunity in Saskatchewan — tax reform.

In my last budget address I promised that this government would review our personal income tax system. I want to publicly thank the members of the Personal Income Tax Review Committee — Jack Vicq, Shelley Brown, and Charlie Baldock — for their hard work in this regard.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — As we know, Saskatchewan's economy is changing and there are real opportunities for new prosperity and growth. But if we're to capture those opportunities and keep our economy growing, we must have a competitive tax structure.

That is why our plan for growth and opportunity includes a strategy to reduce taxes, make our economy competitive with our neighbours, and put money back into the pockets of every Saskatchewan resident.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Over the last several months we have been advised by the experts, we have heard from the people, and we have listened. Saskatchewan working people need a tax cut and a fair tax system. Our local business and industries need a simpler, more competitive tax system.

But a tax reduction plan can't be about cynical politics — about buying the short-term goodwill of people with their own tax dollars. It must be about good public policy. It must be about good economics. Above all else, it must be about the future.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Now there are those that say, and I quote, "You can have your cake and eat it too." They say you can slash hundreds of millions of dollars from tax revenues with no effect on the level of services you provide, without concern about deficits and debt, and in the naïve belief that spending on services like health and education can be frozen.

That is not good public policy. That is not good economics. That is not even good arithmetic. That is just cynical politics.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Others sincerely believe that change is not needed. But we must recognize that the creation of wealth is a prerequisite to the fair distribution of wealth. That economic development is not the enemy of social development — it is the foundation of solid, sustainable social development.

To resist change and the opportunities that change can bring is to say that the way into the future is by the pathways of the past.

Mr. Speaker, the people of this province are demanding a bright future, and we are prepared to lead the way.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — If we are to capture the new economic opportunities being offered by a rapidly changing world economy, Saskatchewan will need vision, leadership, and courage. Saskatchewan people know that something must be done. They know change must come.

I've been clear in stating that tax reform from this government will be guided by three principles. Tax reduction must be sustainable and funded from new revenue. It must be matched by investment in priority public services. That is a balanced approach that recognizes that both competitive tax rates and good public services are important to society.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — It must be fair and progressive, putting lower income people in a better financial position.

Let me outline the key elements of our plan for reforming Saskatchewan's tax system.

First, we will establish a personal income tax system that creates exciting opportunities for Saskatchewan to achieve simplicity, fairness, and competitiveness. Effective January 1, 2001, Saskatchewan will move to a simple, three-rate income tax structure, completely eliminating the 2 per cent flat tax, the debt reduction surtax, and the high income surtax.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — This move alone will make our tax system simpler to use and to understand. It will provide us with the ability to use our income tax system in a way that fully benefits the people of Saskatchewan.

Second, the new tax structure will levy tax directly on taxable income at the following rates: 11 per cent on taxable income over personal exemptions up to \$35,000; 13 per cent on taxable income over \$35,000 up to \$100,000; and 15 per cent on taxable income over \$100,000.

Mr. Speaker, we have a plan. These rates will be phased in over three years as recommended by the Personal Income Tax Review Committee, and when fully implemented, about 70 per cent of Saskatchewan taxpayers will pay income tax at a rate equal to residents of Alberta.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Third, we will provide significantly higher non-refundable tax credits in support of the family than the current income tax system does. On full implementation, Saskatchewan people will be able to claim a basic tax credit of \$8,000, a spousal or equivalent to spouse credit of \$8,000, a child tax credit of \$2,500 per dependent child, and a senior's supplemental credit of \$1,000.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, 55,000 Saskatchewan people are coming off the provincial income tax rolls. Fifty-five thousand low income seniors, single parents, minimum wage earners, and working families — one out of every eight taxpayers in Saskatchewan is no longer going to pay any provincial income tax.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Every Saskatchewan taxpayer will pay less. And once fully implemented our tax system will be indexed to inflation, eliminating tax increases in the form of bracket creep.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — That is good economics. That is good public policy. That is good government, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — These changes represent the largest reduction in taxes in the history of our province.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — But the tremendous savings to all residents of this plan and the significant impact tax reform could have on our economy has been ignored by some in the recent loud debate over the sales tax.

Mr. Speaker, I say again: this is a plan for a bright future. It is not about buying the short-term goodwill of people with their own tax dollars. It is about preparing Saskatchewan for growth and opportunity.

In order to make our economy competitive, good public policy requires us to adjust other aspects of our tax system. Our provincial sales tax is currently levied at the lowest rate in Canada and on the narrowest consumer base. A reasonable use of the sales tax will enable us to make our promised cuts to personal income tax and will make the tax system more fair and just.

Therefore the sales tax rate will remain at 6 per cent and the sales tax base will be broadened to include items generally taxed elsewhere but not extending to restaurant meals. However, this government is not in the business of taxing family necessities. Therefore we will continue to exclude items such as children's clothing, insurance premiums, reading materials, funeral services, personal services like haircuts, and home heating and electricity.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — I've already stated our commitment that under our tax reforms lower income people would be better off. This includes those on fixed incomes and those who do not pay any provincial income tax.

Therefore I am pleased to announce that as part of our reforms to the sales tax, our government will introduce a new, fully refundable Saskatchewan sales tax credit. This credit will

provide annual tax savings of \$32 million to lower income residents and ensure a progressive distribution of the sales tax. With this initiative, Saskatchewan people earning up to \$35,000 a year will be eligible for a sales tax credit, administered in conjunction with the federal GST (goods and services tax) rebate. About 285,000 lower income Saskatchewan people will receive a sales tax rebate cheque of up to 264 million . . . \$264 a year.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — For a minute there, Mr. Speaker, I thought I was lapsing into opposition math. But I want to say, Mr. Speaker, that with proper government coalition math — I'm going to repeat it — 285,000 lower income Saskatchewan people will receive a sales tax rebate cheque of up to \$264 a year, more than offsetting the amount of additional sales tax they may pay.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, over the past months Saskatchewan's long-standing arrangement with First Nations people regarding the issue of taxation has been called into question. Three key factors, namely, widespread tax reform which is being undertaken in this budget, the introduction of the Saskatchewan sales tax credit to all low income people, and various court challenges have prompted a change in policy.

Therefore effective midnight tonight, the provincial sales tax will be extended to off-reserve purchases by First Nations residents.

(1500)

Mr. Speaker, this new tax system is fair. It is sensible. It is sustainable. It will result in a tax system that enhances tax fairness and progressivity, contrary to the assertions of some in our province. It will contribute to building our future of growth and opportunity while ensuring that everyone is better off under our new tax system.

Our new income tax system will begin in 2001, but our commitment is to lower personal taxes every year, as we have done since 1995. I am pleased that effective July 1, 2000 Saskatchewan's flat tax will be cut in half — from 2 per cent to 1 per cent.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — The combined impact of all tax measures in 2000 will be a reduction of \$200 for the average Saskatchewan family — taking both income tax and sales tax into account — but growing to \$1,000 a year by 2003, and fulfilling the commitments made by our coalition government with courage and foresight.

Some Hon. Members: Hear, hear!

Hon. Mr. Cline: — Mr. Speaker, let me close by saying this. Now is the time to reach beyond the threshold; to build on a decade's work, a century's work; to use our strength as a people and our blessings as a province to create a new generation of

growth and opportunity. For that is what society is about; that is what Saskatchewan is about.

Our journey into the future will not be free from challenge or from change. But this budget puts us on a firm course to achieving that vision with clear plans for opportunity and growth.

Let us have the courage and the spirit to lead change, not to follow; to face challenge, not to back away; to do what is fair and what makes sense for our province and our people, building a stronger, more prosperous Saskatchewan for us and our children.

And therefore, Mr. Speaker, I move, seconded by the Premier:

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

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. I consider it a pleasure to rise today in response to the budget. But first I would be remiss if I did not mention the absence of the man who should be giving this initial response to the budget today. All hon. members know that the member from Canora-Pelly, the official opposition Finance critic, has taken a leave of absence for health reasons. And I'm sure all members join with me in sending the member for Canora-Pelly our best wishes for a speedy recovery so he can be back in this Chamber and help hold this government accountable.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Mr. Speaker, there are two themes that emerge from this budget. First and foremost there's the broken promise made by the NDP in the 1999 election to decrease income taxes without raising sales taxes. And then there's the NDP's talent at using the budget for another exercise in smoke and mirrors, another demonstration of their adept hand at the old shell game.

Let's deal with the issues of tax cuts first, Mr. Speaker; or should I say, the absence of tax reduction in the coming year. Mr. Speaker, when the Saskatchewan Party was formed less than three years ago, our members decided that the cornerstone of our party's platform and policy would be to drive . . . would be a drive to bring down taxes in this province. Our tax burden in Saskatchewan has grown to the point where Saskatchewan is falling behind the rest of the nation.

We continue to lose our young people. The number of net taxpayers in this province is far below the national average, while those who are not net taxpayers are far above the national average. Our population is getting older and the demographic deficit grows worse as our young people head off in search of opportunities that simply do not exist in this province.

High taxes have driven out opportunity. They have driven out people. Last year the Saskatchewan Party offered the people of Saskatchewan hope in the form of a substantial tax reduction. And for about a year, the NDP told us there was no way taxes could be cut in Saskatchewan, and they kept this up until they

started plummeting like a rock during the election campaign.

Suddenly, miraculously, Mr. Speaker, they were in favour of tax cuts which a week earlier were deemed reckless and unrealistic. And then they were re-elected with a whopping 38 per cent of the vote. Just a per cent or two behind the Saskatchewan Party. We should have known then better than to actually expect them to carry through with this promise.

Soon after the election, the members opposite acted as if their tax pledge was meaningless. Obviously they were borrowing from the Liberal leader's political rhetoric theme book.

If the Liberal leader needs further proof about his influence on the government, he need only to point to the lack of real tax cuts in today's budget. Obviously the Liberal leader's message of no tax cuts during the election was welcomed by his new colleagues in the NDP.

Anyway, Mr. Speaker, jump ahead a few months and we hear that this government states that not more than a month ago nothing could be cherry-picked from the Vicq report. It was all or nothing, Mr. Speaker.

Well not only have they cherry-picked Vicq, they've picked the pockets of Saskatchewan residents today on the PST. They have not only expanded the PST, they have kept it at 6 per cent. The increase in revenue that will result, Mr. Speaker, would be nearly equal to a 2 point increase in the PST. It would be like going from 6 per cent to nearly 8 per cent PST.

That's the truth, Mr. Speaker. They don't want to hear it, but it's the truth. This is a major tax increase, Mr. Speaker, and one that we simply cannot support. We cannot support it for two reasons.

First of all, the Saskatchewan Party has vowed not to increase any taxes in Saskatchewan, and we stick to that. We are the party of putting more money into the people's pockets and leaving it there. Not putting it in with one hand and taking it out with the other, as this government is so fond of doing.

But the second reason, Mr. Speaker, that we will oppose this expansion to the PST is simply because it breaks the promise made by the NDP. And last year they ran their campaign based on a \$1,000 tax cut for Saskatchewan families. Not a single word, Mr. Speaker, about increasing the PST was ever mentioned.

I asked my colleagues: what's the first impact of this budget on the people of Saskatchewan? What happens first? What happens tonight at midnight? Taxes go up.

It's important to note that the huge increase in PST takes place immediately, long in advance of any substantial savings on the income tax side. And that extra cash will flow in each year and every year for the next four years.

And while that money pours into government coffers, we simply have to trust that this government will follow through on planned income tax reductions that are supposed to come over the next four years. They're already breaking their promises. Frankly, as far as I'm concerned, the people of Saskatchewan

are concerned, we stopped trusting this government to follow through on its promises a long, long time ago. Time will tell whether or not we actually do receive the benefits of future income tax reductions and whether those tax reductions are not once again offset by increases in other government revenue, Mr. Speaker.

The government calls this a historic tax cut. But this year this so-called tax cut will save the taxpayers of this province virtually nothing.

I call this a teeter-totter budget. People who were teetering on the edge of moving to Alberta will now totter off in that direction. Or it might be called the see-saw budget. People who thought they saw more money go into their pockets this afternoon will see it taken away at midnight.

Mr. Speaker, the Finance minister has accused us of wanting the Saskatchewan people to have their cake and eat it too. He said it couldn't be done. This is coming from a Finance minister who is sitting on a \$700 million pile of cash. He certainly has managed to ensure that the government has its cake and eats it too, leaving only crumbs for the taxpayers. Mr. Speaker, taxpayers are going to know that they have been burned by the NDP one more time and we'll make sure that they do know it.

Let's look at one example. In the coming year a family with a total income of \$25,000 will save a total of \$121 in taxes. Let's work that down to a savings per month — about \$10 a month. But hold on a minute. Once you take into account the recently announced rate hike increases for SaskTel and SaskEnergy bills, which amount to \$8 a month, this family will have a whopping \$2 more every month to spend. Isn't that historic? Isn't that something to be proud of, Mr. Speaker?

I believe that Saskatchewan people deserve better and the Saskatchewan Party will continue to apply pressure on this government to give the people what they deserve, the right to keep more of their hard-earned money.

The Saskatchewan Party was established on the foundation of tax fairness for Saskatchewan residents, and we will not give up that fight. This is especially true, given another surprise contained in this year's budget. It turns out that the government's liquor and gaming slush fund is larger — much larger — than anyone expected. And we're told this fund contains in the neighbourhood of \$700 million, as I mentioned earlier, Mr. Speaker — \$700 million.

So here we have a situation where the government has \$700 million stored up in a slush fund but they say they can only afford \$40 million in tax cuts for the average Saskatchewan family. That's arrogant, Mr. Speaker, and it's shameful, truly shameful.

I should note, Mr. Speaker, that the government has decided to rename the liquor and gaming slush fund as well. It'll now be known as the Fiscal Stabilization Fund or the FSF, otherwise known as the fancy slush fund.

Whatever you call it, Mr. Speaker, it's money that belongs to the people of this province. We will never forget that. The NDP never knew it in the first place.

Mr. Speaker, tomorrow I want to get into all the areas of government in which this government is failing the people of this province — education, agriculture, roads, and especially health care.

Mr. Speaker, not only will each and everyone of our caucus members have plenty to say on the issues that are important to Saskatchewan people, I know the people of Saskatchewan will have much to say as well about this budget especially when they begin paying more PST at the stroke of midnight tonight.

In closing, Mr. Speaker, I say six months ago the NDP told us they had learned from their close call in the election. Today's budget shows us precisely what they have learned — nothing.

The people of Saskatchewan will not be fooled by the NDP's smoke and mirrors. They have been burned once too often by the members opposite. Mr. Speaker, I have much more to say tomorrow on this budget but for now I want to go and wash my car before the 5 per cent . . . or the 6 per cent PST is added to it.

So, Mr. Speaker, I move that we adjourn debate. Thank you.

Debate adjourned.

Resumption of Budget Debate

Hon. Mr. Lingenfelter: — Mr. Speaker, I move, seconded by the member for Saskatoon Idylwyld:

That the debate on the motion that this Assembly do now resolve itself into the Committee of Finance be resumed on Thursday, March 30, 2000.

Motion agreed to.

The Assembly adjourned at 3:15 p.m.

