

EVENING SITTING

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE  
(BUDGET DEBATE)

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Cline, seconded by the Hon. Mr. Romanow that this Assembly do now resolve itself into the Committee of Finance, and the proposed amendment thereto moved by Mr. Hermanson.

**Mr. Kasperski:** — Mr. Speaker, I just rise to say thank you for the indulgence of the colleagues opposite and the colleagues around me for the small history lesson I may have given earlier when I was speaking. But anyway I think I have concluded most of my remarks on this.

Suffice to say that I think it's evident by now that my residents and constituents of Regina Sherwood strongly support this budget and I, on their behalf, will be voting in favour on their behalf. Thank you very much.

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

**Ms. Eagles:** — Thank you, Mr. Speaker. Mr. Speaker, I stand today to give my response to last Wednesday's budget.

Mr. Speaker, everywhere I went this past weekend, I heard the same thing — they did it again; they promised a tax cut, then hosed us. Mr. Speaker, the member from Regina Coronation Park, when talking about the tax cuts, criticizes the members on this side, saying we should salute the tax cuts when they come. Does he realize that the reason we haven't saluted them is because we haven't seen any yet, and maybe won't?

This same member says, paying bills is a struggle and an ongoing struggle. Gee, Mr. Speaker, I wonder why. But instead of doing something positive to help the people out, what do they do? They expand taxes.

Oh they brag over there about this historical budget, the tax cuts that are supposed to come if we give them time. But in the meantime they hit the citizens of this province with a consumption tax — things that the people of this province have to buy, the necessities of life. That makes this a pretty hard pill to swallow, Mr. Speaker, and even that pill is taxable now. Mr. Speaker, this is not very encouraging for labourers and the wage earners of this province.

Mr. Speaker, this NDP (New Democratic Party) government talks about optimism. Now isn't that ironic, or even somewhat of an oxymoron, a socialist talking about optimism. Mr. Speaker, the member from Regina Dewdney says things like reality is reality and people come together to overcome obstacles. Mr. Speaker, the people did come together last September 16 to overcome an obstacle, the NDP majority. Sixty per cent of the people of Saskatchewan voted against this administration, but they can't accept reality so they had this

shotgun wedding to gain majority status.

Mr. Speaker, the leader of the so-called Liberal Party cannot get off scot-free here either. With a stroke of the pen he got himself a cabinet position in this administration, at the same time betraying every person who supported him and his party during the last election. Now he goes along with the manipulation. This Minister of Education states that if school divisions can't meet their budgets, they can raise the school mill rates. He says they've done it in the past and he sees it as a safety valve. This is on the heels of RMs (rural municipalities) all over the province holding tax revolt meetings because the ratepayers cannot stand any more taxes. Mr. Minister, aren't you listening?

Mr. Speaker, this government has essentially frozen the health care budget. We have the longest waiting lists and we certainly aren't seeing much in the way of solving this problem and others. And, Mr. Speaker, while I'm talking about health care I would like my colleague, the member from Canora-Pelly, to know that he is in our daily thoughts and prayers. We miss him and we hope he'll be back real soon.

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

**Ms. Eagles:** — Mr. Speaker, this budget made no allowance for the additional police officers in this province. During the election the members opposite promised 200 additional police officers. Zap — that's gone along with three court houses located in Weyburn, Humboldt, and Assiniboia.

Mr. Speaker, I was somewhat encouraged to see the cap removed on the farm fuel rebate program. Unfortunately it does not have the impact that a reduction in the fuel tax would have. The property tax rebate was also encouraging although that feeling was short-lived. Downloading because of the education budget will make ratepayers no better off. And yes, Mr. Speaker, this time the Minister of Education can take the credit for that and my Liberal opponent's plum appointment.

Mr. Speaker, the members opposite boast of a thriving economy in the oil industry and et cetera. Mr. Speaker, the people of this province remember the NDP government of the 1970s under the leadership of Allan Blakeney that confiscated potash mines, shut down the oil industry, and started buying up farmland at inflated prices. Mr. Speaker, thank goodness they were thrown out before that got out of hand. But they never learned, Mr. Speaker, they're at it again. But people don't forget. They recognize this government's arrogance and dictatorship.

Mr. Speaker, I would like now to mention the Fiscal Stabilization Fund or the pick and choose fund or the fancy slush fund; you can call it what you want, but it's all the same thing.

In this former liquor and gaming fund, we learn that there's \$695 million sitting there. Mr. Speaker, last December the members on this side of the House asked that \$300 million of that fund, which we believed to be \$350 million at that time, be given to the farmers of this province. Mr. Speaker, in the last vote of the old millennium, every member of the Liberal/NDP coalition government voted against supporting the farmers of this province.

This is nothing short of a slap in the face to every farmer in this province and everyone who depends on the agriculture industry to make a living, to be turned down, leading them to believe that they would be draining the rainy-day kitty, all the while knowing that they had over twice the amount of money requested just sitting there.

Mr. Speaker, I guess it's no wonder that the members opposite don't have the courage to venture out in the rural areas to attend any meetings regarding tax revolts. Goodness knows, there's been plenty of them. And, Mr. Speaker, there's also been meetings regarding the forced amalgamation of municipalities that they haven't attended. But I guess I'd be a little nervous, too. But Mr. Garcea is bearing the brunt and kind of earning his \$750,000.

Mr. Speaker, one more thing I just can't understand is why this government won't relieve some of the hardship every person in this province is facing regarding fuel prices.

Mr. Speaker, the federal Minister of Finance has laid out a plan in which the federal government will match any provincial government 100 per cent if they reduce fuel tax. Mr. Speaker, for every dollar spent, it would only cost the provincial government 50 cents. We are asking for a 10 cent a litre reduction, 5 per cent being provincial responsibility. What a deal.

But what does this social government say? Mr. Speaker, they say that they wouldn't be able to continue with road repairs if they cut this tax.

Well, Mr. Speaker, I have a hot tip for this government of potholes. Go out into the rural area, travel some of the highways. The roads are a disgrace. So here you are, Mr. Speaker, paying 15 cents per litre fuel tax and driving on goat paths. This is a disgrace and so is this government.

Mr. Speaker, this smoke-and-mirrors budget leaves the average taxpayer no further off. The NDP have stated that anyone who can't run this province on \$4.5 billion a year doesn't deserve to be government. Mr. Speaker, the projected revenue of this budget is \$6.4 billion. So what does that tell us . . . (inaudible interjection) . . . Mr. Speaker, the member over there sits chirping in his seat. If he'd just listen for a minute.

Mr. Speaker, the member from Regina Coronation Park also mentioned Regis Philbin and his show, *Who Wants to Be a Millionaire*, in his speech. Well, although the Finance minister looked like he might have borrowed a tie from Regis when he delivered the budget — and it was a nice tie — I would like to think that he is the host of another show, called *The Shell Game*, because that's what this budget is, nothing more, nothing less than taking money out of one area and putting it into another.

But, Mr. Speaker, if the Minister of Finance wants to play *Who Wants to Be a Millionaire*, he has one lifeline left, and that is to make a phone call: call the federal Minister of Finance and take part in this fuel tax reduction that would benefit every citizen of this province.

Mr. Speaker, I'd like to ask the Minister of Finance, what is

your final answer? And with that, Mr. Speaker, I cannot support the budget, but I do support the amendment put forth by the member from Rosetown-Biggar. Thank you.

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

**Hon. Mr. Goulet:** — Mr. Speaker, I am pleased to be here, supporting the government motion and in direct opposition to the Saskatchewan Party amendment.

Mr. Speaker, this new budget on the year 2000 is indeed not only a good budget, not only a historic budget, but indeed it's good for all the people in the province — from north to the south.

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

**Hon. Mr. Goulet:** — Mr. Speaker, on my commentary, I want to deal with a general aspect of the budget, the aspect as it relates to the North. And, Mr. Speaker, I will deal with the budget as it relates to taxation on First Nations people.

On the most general comments at the beginning, I would say this, Mr. Speaker, as I look at the history of Saskatchewan and I read the history of the 1930s, in regards to this province, and I knew that there was about 30,000 KKK (Ku Klux Klan) members in this province. I knew that there was racism in this province, but also know that there's been improvements, particularly in the last half century.

People who fought for this country like my uncle used to say, I was proud to be a Canadian because for the first time during the war I could walk side by side with my fellow Canadians, and that he would be looked upon as acceptable. Before that he said, I could not walk into a restaurant with a non-Aboriginal person. And for me he said — and he died this year — he said that it was important that we had made progress from fighting side by side with others because when they fought for this country they didn't say, did you pay tax or not. They didn't say were you Metis or were you Indian. They fought for this country together.

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

**Hon. Mr. Goulet:** — So when I took the notion, the theme, I would say that we're trying to move in this new century to a greater politics of inclusion for all people in this province. Whether we look at the North or the rural or the urban centre, we have to look at the politics of inclusion.

As I listened to one of my members today he was using the Polish language and also the French language. And I've heard some Ukrainian spoken in this House, and I was very pleased with that because it is a respect of all peoples in this province. And it's a respect of the different languages that exist in this world. And I think that in that sense it made me feel good to hear that in this legislature. So it's this idea on respect for all cultures and for all peoples that is the essence of my commentary.

In regards to the general side of the budget, I would say this: I looked at the capital and infrastructure needs in this province which was a strong topic. I am pleased to say that at the general level our highways budget of \$250 million is the highest it's

ever been in the history of this province. I looked at the capital, the centenary capital fund of \$120 million — \$30 million for each of the next four years — to be an important aspect of this development and this province. It showed that — in effect that when we look at the bonus, as opposed to tax, debt, and programming — that we have listened. Some people will say we did not go far enough and others will say other things, but the fact is that we had the highest, the biggest budget there was in highways in this provincial history.

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

**Hon. Mr. Goulet:** — The other thing that is always on the news — and we see it from the different provinces, we see the problem internationally — is the issue of health. And when we are looking at the balanced approach again I was looking at the budget, and this year the budget expenditures will be \$113 million more. Again when I looked at the past, about three years ago it was about 95 million; there was about 200 million. By the time we looked at this year's budget, it's an important trend that we had set with the coalition government as we set in \$113 million — 1.97 billion for health care.

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

**Hon. Mr. Goulet:** — When we look at the issue in relation to fairness, I was also very pleased with the budget because it's important to look at fairness not only for all peoples but for the people in the greatest need, the lower-income people. I was pleased that the budget looked at that factor and that with the sales tax rebate there'll be 285,000 people impacted. I was also pleased that 55,000 would be taken out of the tax rolls, another important first in the history of this province.

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

**Hon. Mr. Goulet:** — So as I looked at the politics of it . . . I always, when I was in the legislature, used to listen, when I was in opposition, the politics that divided rural and the politics of exclusion. And when I saw the development between . . . the division between the rural and the urban, I knew that you had to have an inclusive policy throughout. Because I looked at the Devine government, I knew that they completely neglected the North, many aspects of the rural areas, pinpointed some of the areas where they put in some money, but in many cases were very, very divisive in a lot of their political rhetoric during that time.

(1915)

And when I looked at the overall story, as I listened to the Sask Party members, I always used to have a tough time in regards to the idea of truth in the House, in the legislature when I heard some of the commentary. Because, you know when I listened to the Devine government, they would say never will we have a gas tax in this province. Then later on they would put in a gas tax because they had spent some money all over the place. But that type of an idea was . . . there was a lot of cynicism that was developed in the House.

And I must say this in regards to our tax cut. Overall when you take the increase in the sales . . . the PST (provincial sales tax), and when you look at the income tax, when you listen to the

Sask Party people from across, it looks like in fact that there was an increase in the taxes in this province. Completely false. When you subtract the amount from the tax, in regards to income tax which is over 400 million, on the tax in regards to the sales tax, the overall benefit is 260 million in the people's pockets in this province.

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

**Hon. Mr. Goulet:** — So when you look at the truth, Mr. Speaker, that is what I'm talking about that you got to present the facts as a whole as you're taking that into consideration, not take one tiny aspect of it and try to make that as the basis of the whole truth, what is only one section of it.

In regards to the North I would say this: the North again, of all the budgets that I have seen historically, we've been progressively looking at improvements on the budget in the North over the years. But I must say that for the North this year we got the largest increase since our government took over. The increase in regards to the northern budget in actual dollar terms will be that we have moved from \$242 million of expenditures last year to \$267 million worth of expenditures. That's a \$25 million increase to northern Saskatchewan.

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

**Hon. Mr. Goulet:** — So when you look at it, some Northerners will be asking me where are those expenditures? And I will be looking at that. They will now know that on the highways budget we will be getting a \$5 million increase, from 31 million to \$36 million.

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

**Hon. Mr. Goulet:** — In regards to the forestry program which benefits all the people of the province from Prince Albert over to other areas in Meadow Lake as well as Hudson Bay, that indeed there will be an improvement as well on the SERM (Saskatchewan Environment and Resource Management) budget in regards to northern Saskatchewan on forestry to make sure that the roads were built and therefore development as well as access to the community to the tune of \$5.9 million.

I looked at the budget in regards to capital . . . as it relates to health spending, and this year it'll be over \$10 million for both health and education. And we will be making sure that the hospital, the health centre in La Loche goes up, as well as the one in Stony Rapids. And indeed that is very important for the people of northern Saskatchewan where we have hospitals approximately every 300 miles. And I think that is very important to consider. And the other thing is that when we're looking at the budget on that 10 million, it will also help pay for the school in Pinehouse for 1.3 million out of that 10 million.

So when you look at the aspect of development for the North and for the province, it's been very positive. I looked at the . . . I mentioned the forestry side of the 5.9 million but I think that a lot of people will be very happy that . . . When we had the major fires in 1995 we had spent over \$95 million. I read in our budget . . . and operated between 26 to 28 million. And this year we're adding on a reserve fund for \$50 million. And I think that will be very, very good in regards to northern Saskatchewan so

that the funding is above-board and it is looked at upon in regards to what happens in regards to the North. Because as I read the predictions we maybe have — and I hope it doesn't — that it may be another tough fire season. I certainly hope not but I think we're protected for that anyway.

As I looked at the overall aspect of development in the North, as I compare the health side, probably one of the strongest things for health is sewer and water. Many of our communities in the South already have sewer and water but some of the communities in the North still don't have sewer and water. And when you look at the health costs, etc., that arise, that's one of the contributors in regards to the health costs.

This year we will be putting in \$3 million on capital in regards to sewer and water in northern Saskatchewan. We will also be making sure that our federal partners do a cost sharing with us. We're hoping that over a five-year period we can get \$25 million worth of sewer and water projects in northern Saskatchewan and that is a fact that we're listening to people in the North because last year when the study said we needed about that amount of money. So I think in that sense we have listened not only to the people of the province but also to people in northern Saskatchewan.

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

**Hon. Mr. Goulet:** — Now for my commentary in regards to the First Nations and the PST. I must say that from a government viewpoint it was one of the more — on a personal level — it was one of the more difficult decisions that we had to make in regards to this budget. And it was basically because our government over the long, long term has shown great sensitivity in regards to developing partnerships with First Nations people and Metis people, etc. And that when we looked at the report, you know, that came down — the Vicq report which recommended the taxation of First Nations people in regards to the PST — we had a look at that and we debated the pros and cons and basically the ideas that come from it were such that we had to make sure that there was protection on the low-income side.

I knew one thing when I listened to Sask Party members, you know talking about the facts about the tax. Not once in my political experience since I've been around — same with the Tories that were around before. I never saw one thing in their platform or anything in their literature or anything on Indians, except this: lower the tax for everybody, and tax the Indians. That was basically the line of the Saskatchewan Party. And I knew that the Saskatchewan Party would never say anything about doing anything for Aboriginal people in regards to economic development. Nothing.

And I knew that they would do absolutely nothing in regards to education. As a matter of fact, a lot of their people would be doing that. There's a big difference between our policy and your policy. Your policy was very simple: cut. And that's what you would do. You would never do anything on the low-income side. You would never do anything on the rebate, and I will be explaining those points.

I know that another bigwig chattering from across over there because I hit a nerve. I know that I hit a nerve because they

know it is true. They know it is true that they will not deal with the economic issues and education and health and other issues. All they will do, when they talk about Aboriginals, is play the hot-button politics. Yes, you got to tax, and that's all I heard from them, absolutely nothing else.

When we, on our platform, deal with Aboriginal people, we deal with the issue on partnerships. We've seen the forestry strategy. We've seen that on the forestry strategy for the first time. We will see Peter Ballantyne Cree Nation be part of the forest management agreement and their partner Lac la Ronge Indian Band, along with Zelinsky Brothers, will partner up in that area of FMA (forestry management agreement).

And when he looked at it, the member chirps from his seat when he was a Conservative from before and now he's a Sask Party member. Now I'll tell you something. In the North, when your government was around with the Devine government, they slashed the North. And they cut the spending in the North while they increased spending in their own areas.

But I would say that, as I look at the different types of strategies, I would look upon the fact that we've been looking at different areas of development. We've seen the partnerships in regards to education. We've been able to look at the partnerships established over the years on education. When I went to university, there was only a handful of us going to university and there was three treaty Indians that I knew taking a course at the university in 1965. Now that there's about 2,000 that's out there, approximately over 100 . . . 1,000 Metis, and also in regards to the fact that in northern Saskatchewan we now have over 2,000 people taking post-secondary.

So I think it's very important . . . the member, the former Tory, chirps from his seat and I know he's getting a little bit worried that the truth is finally hitting and taking and hurting home. But I think that in many cases, I thought that the strategy . . . (inaudible interruption) . . . Well you give me a reminder. I'll give you another example therefore of what the Devine government did.

When that member from Moosomin was around with the Conservatives, a lot of the people at rural and urban areas got \$300 million worth of money in regards to getting natural gas to their homes, and it was a big program. When I looked at that program when we came into office, a lot of the First Nations people came to see us. They said, \$300 million that was spent, they said, do you know how many of our reserves are connected? They're selling to reserves in Saskatchewan. There was a total of six . . . six reserves had been hooked up.

I'm pleased to report at this time, Mr. Speaker, that indeed we're looking at approximately 50 First Nations people that are connected.

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

**Hon. Mr. Goulet:** — The other thing is that they never did very much in regards to the Crowns other than try to privatize them. And when we looked at SaskTel in regards to the North, we put in improvements to make digital service available in the North to the tune of 29 million in our first term. Over our last term, we had put in 25 million to improve access to the reserves.

And I knew that a lot of those lines didn't have enough lines for the number of houses and people who wanted phones on the reserves, so they were unable to access the telephone service to deal not only with economic . . . the economic basis of the reserves but also to deal with the issues of culture, whether you're going to the powwow or whether for the kids being at school.

So indeed now I can say that with the access that we put in — there was about 35 per cent of First Nations people who had ties to the telephone system — I'm pleased to report now that there is over 60 per cent. And that has been a big improvement over the past few years.

On the education side, as I mentioned before, this year's budget is about a 4 per cent increase, is about \$6.5 million now for SIFC (Saskatchewan Indian Federated College), GDI (Gabriel Dumont Institute), SUNTEP (Saskatchewan urban native teacher education program), as well as NORTEP (northern teacher education program) in northern Saskatchewan. So overall I see an improvement in relationships with First Nations people.

And I've received some comments in regards to the tax and I wanted to send this message out that in regards to all the issues that I have raised whether it's in education or whether it's in economic development and the ideas of partnerships — we are still going to continue to do that. We will still be following that type of action, and that indeed, you know, has been the basis of our policy so far, and that's what will continue.

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

**Hon. Mr. Goulet:** — I know that the Sask Party didn't put any of that stuff on their platform. But I was dealing with an issue a little while ago that smacked about the same thing and that was with the MP Pankiw because Pankiw reflected some of the things that I hear from the Sask Party. Not all of them because you can't stereotype all the Sask Party people because there's a couple members over there that I was very pleased with in the past while. You know the member from Carrot River and the other member just north of P.A. (Prince Albert), they dealt with the issue of racism in this House. And they put the idea out there that racism is not good for the people.

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

(1930)

**Hon. Mr. Goulet:** — And I must say that one of the things that I've learned on stereotyping is you cannot stereotype everybody in all the parties. That indeed that's what I wanted to say out here.

But I know that there are some people around, and I know that when I talk about Pankiw, you know, he referred to the employment equity system as a basis of the KKK. But I know historically in the United States and Canada that the KKK just hates affirmative action, employment equity, or anything like that. They're the strongest fighters against that.

So when Pankiw is making a comment and saying that employment equity was a form of the KKK he was dead wrong

on that. He wasn't following history. As a matter of fact it was Pankiw who mirrored the position of the KKK, and that was indeed the historical truth to it.

So when I look at those types of debates . . . You know that's the type of debate that I'm talking about when I'm talking about the politics of inclusion and the politics of respect that indeed when people bring these up, I hope that those members in the Saskatchewan Party who are dealing with racism go through their party network and making sure that those types of things do not grow. That as we approach the new century that those types of things are lessened, you know, more and more.

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

**Hon. Mr. Goulet:** — When I looked at the issue, therefore, of First Nations and taxation, it was a very, very emotional issue for myself personally and a very sensitive one. And I knew that of all the good things that we had done, sometimes those would be forgotten, you know, as we dealt with a tough issue. And that as we dealt with it, I wanted to make sure that we were dealing with it in the fairest possible way that there could be.

I knew that the Saskatchewan Party would never give a rebate. I knew that the Saskatchewan Party would never have a sales tax credit. So I think that when I look at the rebate, I would like to hear their member talking — now they're chirping from their seats again — but when their member, their leader, comes in the House and says, yes, I support the rebate, then I might believe them. But that will not happen; I know it will not happen. If in the House, any one of them vote for the sales tax credit, then I might believe them. But all of them will vote against it because that's what will happen.

So when I look at the path that, in regards to the First Nations people, it was, therefore, a difficult one as I said, but we followed a certain principle that was already established. And we looked at the idea of the GST (goods and services tax), and we looked at the aspect of the tax that way. We knew that on the GST, the tax was paid off-reserve, and there was protection and exemption on-reserve. So the principle of taxation off-reserve was there with the federal law and the federal policy on the GST.

And the other thing, too, that when I looked at the policy on income tax, income tax was protected on the reserve but it was paid off the reserve. One of the biggest myths in history, because the PST was not paid, was that a lot of people said, well Indians don't pay tax. And that was completely not true. All the people that I knew, of the First Nations people, pay not only income tax, their businesses pay a lot of corporate tax. And that indeed when you look at the history, you know, there was a big myth perpetuated by certain politicians that indeed when you dealt with this issue that Indians didn't pay. That was completely false.

Indians, First Nations people, pay tax like everybody else in regards to the income tax. In that income tax it includes both the federal income tax and the provincial income tax. And that indeed when you look at that principle, that indeed there is protection on-reserve and not in regards to off-reserve. That is the principle that is being followed.

The other thing is that in regards to the municipalities, you will hear some of the people from the Saskatchewan Party say, well those Indians they don't pay anything relating and they don't contribute to education. Again, false. Wrong. When you look at the municipal tax . . . when you look at the municipal tax, when treaty Indians pay municipal tax — some of those members don't know that Indians pay municipal tax — when they pay municipal tax, part of that money goes to libraries and part of that money goes to schools in the cities.

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

**Hon. Mr. Goulet:** — But when you hear the Saskatchewan Party, they will sound as if well Indians don't pay tax — completely false. That's the type of politics that I meant on the politics of exclusion, the politics of disrespect that the Saskatchewan Party plays.

When I looked at the overall impact, I would like to do a summary because this is a summary in regards to the benefits. On the benefits side, the rebate in regards to the First Nations as a whole on the tobacco and also the fuel tax, the total amount of money that the First Nations will receive if they apply according to the principles of what has transpired already with Muskoday who was one of the first of the eight First Nations who took us to court, that indeed what happened is that they will do the rebate.

Muskoday . . . the member from Moosomin, not Moosomin . . . The member from Cannington chirps from his seat again. He does not know the history of course so I will tell him. He doesn't know the history of First Nations people, of native people, so I will tell him.

So the tax . . . The whole history was that we would do a lot of negotiations with First Nations people, but like anybody else they are free to go and follow what they wish to do, and take us to court if they want to. So they took us to court in regard to the taxation of the fuel and tobacco tax, and that was six years ago. And . . . (inaudible interjection) . . . that was six years ago.

Now there were seven First Nations bands since that time that wanted to take us to court. So that indeed when you look at it, that the whole shift had taken away from negotiations to the court cases, so when you're looking at that we moved from negotiations to that of the court cases. But the principle of federal policy and federal law at the present time is such that there is production in regards to income tax on-reserve, but not off-reserve. The GST is paid not on-reserve but off-reserve, and it's the same type of principle, we're making the laws consistent now from the federal to the provincial level.

**An Hon. Member:** — But you were supportive of charging this provincial tax on-reserve, previously.

**Hon. Mr. Goulet:** — The member's all mixed up. He said I supported the tax on the reserve previously, completely wrong and false, I never did . . . As usual you should be following a bit of the history, you know in this province, and you've been wrong in many issues. Now if I heard chirping from your seat I would pay due respects and he said, geez, the member from Cumberland, are you going to be supporting economic development and partnerships with First Nations? I'd probably

have my eyes wide open and say yes, member from Cannington; but that's not what you're talking about. All you're talking about is the negative stuff against First Nations people and Metis people, and that's all I hear from you on, and that is the reason why I'm saying what I'm saying.

So when I look at the overall rebate, therefore, there'll be \$12 million going to First Nations. The interim, the PST, they will pay, in regards to the 8 million.

**An Hon. Member:** — You pay the PST?

**Hon. Mr. Goulet:** — The member, the leader actually asked me, do I pay the PST? Of course I've been paying the PST all my life.

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

**Hon. Mr. Goulet:** — And of course now they're clapping. Now the leader who played the politics of division for the Saskatchewan Party when he was a member of parliament with the Reform Party, one of the reasons why Reform Party changed its name from a lot of, what do they call them, Conservative Reform Alliance Party? And many of the . . . why the Reform Party went down the drain was the politics of division. They played too much politics of hot division, against immigration, against the French issue, against Aboriginal people, etc. You should know well about that. And as you come into the South, that's exactly what you display again.

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

**Hon. Mr. Goulet:** — So when I look at the fact, I wanted to reiterate the point. I'm not trying to stereotype all the Saskatchewan Party. I've heard some members from there that I have a lot of respect for and I've heard them talk against racism and I appreciate that fact. But when I see it and when I sense it out, I will be able to respond immediately and in the way that I should.

On the aspect of a rebate there: for 12 million we're going to rebate to the fuel and tobacco side, treaty Indians now will pay \$8 million on the PST. So there'll be a \$4 million and a half million dollar plus on that side . . . I mean a \$4 million plus on that side.

On the sales tax rebate — sales tax credit is a popular term — the total amount in there for First Nations is estimated to be about four and a half million. Out of the 32 million, it'll be about four and a half million to First Nations people. In other words, there will be about sixteen and a half million dollars through this flip we're talking about, but also in dealing with the sales tax credit for First Nations people. Well of course they will have to pay the 8 million.

So there's going to be an eight and a half million dollar plus in regards to the overall agreement, completely different from what the Saskatchewan Party would ever do.

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

**Hon. Mr. Goulet:** — I think that in regards to the fact . . . I mean the member, again the leader, always chirps from his seat

in his message to Perry Bellegarde and I think that he must be . . . I don't know whether or not he's meeting with Perry Bellegarde but my understanding is that in regards to the court case, there is a court case that is taking place, as any citizens have, you know, the right of law. And I think that in regards to that fact, they will be taking us to court and with due respect to the legal process, so that we do not prejudice the case, I will definitely not make any comments in that regard except to know that it is the right of any citizen to be able to deal with it in a court case.

Now, when you look at it, the member over there of course will not support . . . (inaudible interjection) . . . the leader asked me, do I support the budget? Yes, I support the budget.

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

**Hon. Mr. Goulet:** — But I know one thing. You as the leader will not support the \$25 million increase that the North will get because you don't care about the North.

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

**Hon. Mr. Goulet:** — You don't care about the North. When one of your people ran against me last election, they didn't even have one little line in regards to northern Saskatchewan. That's the type of leadership that you do have. You are really going to have to improve on that when the next person runs . . . a Saskatchewan Party candidate runs in Cumberland constituency because a lot of people were very disappointed that you flew in a candidate and he didn't even know anything about northern Saskatchewan and did not say nothing about it.

And I knew therefore you would be voting against the \$25 million increase that we will do in regards to northern roads, in regards to health and education, in regards to . . . in regards to the capital expenditures on health and so on. So that's the comment that I would make in regards to the overall budget.

On the low-income side, we still don't tax the food.

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

**Hon. Mr. Goulet:** — It's a major expenditure for a lot of people on a daily basis, but when you looked at whether poor people or rich people, we still don't tax food. Or restaurant or the shelter or the heating or the lights. So that when you look at that, it is a very important aspect. And the other thing is that a lot of the people, when they look at their children and when they buy children's clothing, that will also be exempt; there'll be no tax on children's clothing.

So when we look at our policy, of course it's going to be very different from the Saskatchewan Party. I know that they were very, very worried about some of my comments but I know that my comments run true.

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

**Hon. Mr. Goulet:** — Mr. Speaker, I will make a summary, in regards to the comments that I made, in Cree. With due respect to all the languages of the House and with due respect to all the cultures of this province, I will say my commentary so that

when I listen to . . . the people come talk to me, a lot of the elders who are in the hospitals, some of them seen their last days in this province. They feel very proud when they have somebody speak to them directly so they understand very directly what happens in this House.

Very often they come to me, they said, we were happy when you were speaking, in English I sort of understood, but when you said something in Cree you said it and I understood it. And it is in that context that I always do an explanation in regards to Cree.

(The hon. member spoke for a time in Cree.)

Mr. Speaker, I would call you Otuyumiw in Cree, Mr. Speaker. In closing comments, I would say this. My hope for the future in true spirit as I talk with other Sask Party members who have dealt with the issue of racism, that I was very happy when they spoke in the House on trying to deal with this issue. It felt good for me because I know that I cannot stereotype all of the members in the same light.

And I knew that as I faced the future in the new century, that my hope and desires that we go to the politics of inclusion — the inclusion of all peoples whether they speak in the Polish language in the House or the French or the Ukrainian language, all the languages from Asia, anywhere all over the world — the ideal for us has to be the politics of inclusion. Not only in regards to training but also in regards to jobs. Not only in regards to jobs but in regards to business ownership, in regards to being part of FMAs because in the long run, when we share the resources of this great country and this great province with all peoples, then the politics of inclusion becomes real. It becomes possible, and it becomes tried out by governments and by everybody in this province.

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

**Hon. Mr. Goulet:** — So with that, Mr. Speaker, I support the government motion and, of course, oppose the amendment by the Sask Party.

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

**Mr. Stewart:** — Thank you, Mr. Speaker. Mr. Speaker, my constituency of Thunder Creek is a rural constituency concerned with all of the issues that interest any other constituency in this province but with a special interest in agriculture because Thunder Creek is pretty well agriculture.

**The Speaker:** — Order, order. Why is the member on her feet?

**An Hon. Member:** — On a point of order, Mr. Speaker.

**The Speaker:** — Please state your point of order.

**Ms. Lorje:** — Thank you, Mr. Speaker. We have just heard a very fiery and impassioned speech from the member for Cumberland, and I think that all members of this House would like to join with me in acknowledging both his speech and the fact that he has sacrificed his 54th birthday dinner to come to this House to give this speech. And with a bit of coaching from the member from Athabasca, I would like to wish him happy

birthday in his language. I would like to say to him — and I would hope that all members would join with me in saying — “Mew Tip Ska Min”. Happy birthday, Keith!

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

**The Speaker:** — I would just remind the House that a member's birthday is not a matter of a point of order. But I join in on those wishes.

**Mr. Stewart:** — Thank you, Mr. Speaker, and I wish the member from Cumberland a very happy birthday.

As I was saying, Mr. Speaker, Thunder Creek to me is agriculture. But we're also even more than that. We have a state-of-the-art potash mine and a huge fertilizer plant at Belle Plaine. We have a sodium sulphate plant at Chaplin. We are also fortunate to have many entrepreneurial small business people, including some light manufacturing. Oil and gas activity has advanced ever so slowly to the west border of our constituency and is also closing in on the east side, but ever so slowly, Mr. Speaker.

Obviously, Mr. Speaker, the progressive, forward thinking people of Thunder Creek would like to see a budget that would encourage the rapid expansion of oil and gas and mining industries, as well as the manufacturing and processing of agricultural produce. We view removal of the cap on the farm fuel rebate as a positive thing. It must be realized that this only applies to gasoline used in farming, and most farmers don't use a lot of gasoline in their operations these days as a vast majority of equipment is diesel powered and has been for many years. So it won't have a large impact on a farmer's bottom line.

Mr. Speaker, the Minister of Finance announced a property tax rebate that will amount to a rebate of property taxes on the average farm of about \$440 a year, and that's over two years.

Mr. Speaker, education is not adequately provided for in this budget, particularly in rural school divisions with static or declining enrolment, and it is clear to everyone involved that mill rate increases for education will be necessary in order to cover operating costs if programs are to be maintained. This is a case, Mr. Speaker, where government gives with one hand and forces the school board to take all of the benefits back just in order to maintain teachers and programs.

This is not only downloading, Mr. Speaker; it's backdoor downloading. It's sneaky and underhanded and the people of Saskatchewan will see it for what it is. Mr. Speaker, this budget does not increase the provincial government share of the cost of education and people will see that as well.

Mr. Speaker, the Minister of Finance makes much of the so-called historic tax cuts in this budget. Let's review that. If you add up all the tax cuts in this budget for the year, it comes to about \$43 million. And SaskTel and SaskEnergy rate increases already approved by this government will put over \$41 million right back into government coffers.

Mr. Speaker, when you do the subtraction, that's a whopping \$2 million tax cut to the people of Saskatchewan. That's a tax cut this year of \$2 per person. And I guess, Mr. Speaker, if I was to be so presumptuous as to give the people of this province

advice, I'd say try not to spend it all in one place.

Mr. Speaker, the Minister of Finance tries to make these laughable tax cuts more palatable to the public by selling them with a lot of smoke and mirrors about more substantial tax cuts down the road — tax cuts, Mr. Speaker, that will have to be dealt with in future budgets before they become anything more substantial than pie in the sky dreaming or wild conjecture.

Mr. Speaker, families and businesses in this province pay higher income tax, higher corporate tax, higher property taxes than our main competitor, Alberta, and a 6 per cent sales tax that Alberta families and businesses don't pay at all. Taxes are killing investment in this province, Mr. Speaker, and this Liberal-NDP coalition government's response is to broaden the base of the PST.

The oil and gas industry comes to mind because we compete so directly with the tax regime in Alberta. Mr. Speaker, the following is a list of some of the more common items, and mostly high-ticket items, that the industry pays 6 per cent PST on in this province but of course are not taxable just across the border in Alberta. There are new items on the list but many of them have been PST taxable before expansion. I think this list is telling as to why our oil and gas service industry can't grow and why oil companies would really rather invest elsewhere.

(2000)

The list is broken down into 10 categories, Mr. Speaker. It's a withering list but members on both sides of this Assembly need to hear the list, Mr. Speaker, to get perspective on the kind of damage this tax inflicts on an industry like oil and gas.

Under the first heading, Mr. Speaker, drilling costs. Some of the things there included are anchors, cementing materials, collars, communication equipment, conductor casing, directional tools, down-hole motors, down-hole tools, drill-bit rentals, drill bits, drill collars, drill pipe, drilling mud and chemical, equipment losses, equipment rentals, equipment repairs, fishing tools, freight, instrumentation, intermediate casing and accessories, lubricants, nitrogen, packers, portable fences, power tongs, reamers, safety equipment, safety supplies, stabilizers, surface casing and accessories, testing equipment, tool rentals, trucking and freight, well-control equipment, well-site trailer rentals, whip stocks.

Under the heading of completion costs, Mr. Speaker: acidizing material, bridge plugs, casing, casing accessories, cementing materials, collars, completion fluids, directional tools, down-hole tools, drill-bit rentals, drill bits, equipment losses, equipment rentals, equipment repairs, fishing tools, fracturing materials, lubricants, mud materials, nitrogen, packers, production casing, production liner, production tubing, retainers, safety equipment, safety supplies, testing equipment, tool rentals, trucking and freight, well-stimulation materials.

Under the heading of well equipment, Mr. Speaker: beam-pumping equipment, bottom-hole pump, buildings, engines and motors, equipment and repair parts, fencing materials, flow line, flow tank, lease tank, line heater, meters and metering equipment, production tanks, pump-jack units, sucker rod, tank rentals, Texas gauge, tubing accessories,



tubing, wells and fittings, well head equipment.

Under facilities: absorbers, boilers, buildings, cathodic protection, chemicals, coating and insulation, communications equipment, compressors, compressor fuel, computer equipment, computer software, dehydrators, dew-point control equipment, electrical equipment, equipment rentals, fencing materials, fire heaters and boilers, flare stack, flow lines, fuel gauges, heater, injection equipment, instrument controls and meters, instrument and automation line heater, line pipe, lubricants, manifolds. That's half the list, Mr. Speaker. That's half the list. And there's a similar list for the mining industry, the pipeline industry, and every other industry in this province that I can think of.

Mr. Speaker, the PST is killing our oil and gas service industry and slowing the development of our very substantial oil and gas reserves. Mr. Speaker, there is the matter of the liquor and gaming fund — or LGF, which the government also used to call a rainy day fund or RDF. Well, Mr. Speaker, it appears this fund has doubled in size to \$7 million since January when this Liberal-NDP coalition government said they couldn't afford to put \$300 million on the table to trigger more federal help for the ag crisis. And the fund is projected to grow by another \$350 million in this year. Now apparently \$290 million has been used to balance this budget and \$405 million has been put into a new fund called the fiscal stabilization fund, or FSF. This fund has also been called the fancy slush fund, FSF. A better name might be the money hidden from suffering farmers fund, or MHFSFF.

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

**Mr. Stewart:** — Since there's no indication as to what this money may be used for, Mr. Speaker, I think an even more appropriate name might be the save our sorry NDP backsides in the next election slush fund.

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

**Mr. Stewart:** — Or the SOSNDPBSITNESF, the shortened form of which would be the NDPBS fund. This government makes excuses . . .

**The Speaker:** — Order. I just . . . hon. members, please. I just ask that you choose your words judiciously in your debates.

**Mr. Stewart:** — Thank you, Mr. Speaker, I'll keep that in mind.

Now this government makes excuses for not being competitive with Alberta, Mr. Speaker, because they say Alberta is just too rich, or they have just too much oil revenue. Well, Mr. Speaker, oil and gas and mining can be great engines of our economy as we have as much oil in the ground as Alberta. And we have more potash than anywhere else in the world. And we have by far the richest uranium deposits in the world and we have gold and coal and diamonds and sodium sulphate. And we have nearly half of the farmland in this country. And we can't compete with Alberta? If we can't, Mr. Speaker, it's not that we don't have the best province in the country because we do.

No, Mr. Speaker, if we can't compete it's because of high taxes, taxes like the PST that this government not only refuses to reduce but insists on expanding. And regulations and red tape imposed upon companies that have invested here in oil and gas

and mining and processing which in effect make them tax collectors from themselves, that keep investment in Alberta and keep opportunities there for our young people as well.

Mr. Speaker, on Friday a member from that side of the House suggested that we shouldn't tell our children about opportunities that exist in other parts of the world that at this time are not available to them here. Well, Mr. Speaker, I put a high priority on seeing that my children receive all of the information available that may help them towards a brighter future in an increasingly competitive world. I will be telling my children about these places, and so will every decent parent in this province — even, Mr. Speaker, if it does tend to thwart the NDP plan for a backward little socialist utopia here amidst the sea of opportunity.

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

**Mr. Stewart:** — In the next election, all of us who care about our children will put an end to the NDP's socialist master plan once and for all, Mr. Speaker, and the next government of this province will make us competitive with our neighbours and opportunities will be created for our children. Then, Mr. Speaker, we won't have to tell them about brighter prospects and better opportunities elsewhere.

In closing, Mr. Speaker, expansion of the PST on repair services, computer services, and professional fees will hurt oil and gas and mining and agriculture, and every other industry in the province. Smoke and mirrors in place of immediate substantial tax relief and continued underfunding of health and education while setting up a \$405 million slush fund will make this budget a hard pill to swallow for the people of this province. They won't support it, Mr. Speaker, and neither will I. Accordingly, Mr. Speaker, I will be supporting the amendment.

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

**Hon. Mr. Hillson:** — Mr. Speaker, it is with pride that I rise to support what I consider to be a watershed budget. But before I begin, may I first of all say that I have a certain amount of reluctance following that eloquent address from my Neechiwagun from Cumberland. And I also want to say before I commence that on behalf of myself and all my colleagues, we wish the hon. member from Canora-Pelly a speedy recovery and an early return to this House.

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

**Hon. Mr. Hillson:** — Mr. Speaker, when the Liberals were elected to government in Canada and the NDP in Saskatchewan, they both succeeded Tory governments which had run up huge deficits. Tough decisions had to be made and Canadians were required to pay a price to get our fiscal house in order. But we knew it had to be done. We knew that to continue to run up debt was to mortgage the future of our children and of our country.

However, I want to congratulate the taxpayers of Canada and Saskatchewan for the sacrifices they made in order to eliminate the deficit. But fortunately now is the time when Canadians can look forward to a dividend for having eliminated that deficit. I have spoken before in this House about the need to lower our

taxes and especially our income tax. This year the federal government, under the leadership of Finance Minister Paul Martin, did just that, and last week the same thing happened in Saskatchewan with the introduction of this budget — the largest tax cut in Saskatchewan history.

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

**Hon. Mr. Hillson:** — The reform to our income tax system means that 55,000 low-income residents are to be removed from the tax rolls; 70 per cent of all Saskatchewan residents . . .

**The Speaker:** — Order. Order please. Why is the member on his feet?

**Mr. Addley:** — Point of order, Mr. Speaker.

While the member from Cumberland was speaking, I thought I heard the member from Saltcoats say something that I thought was inappropriate. I wasn't sure that that's what he could possibly have said, so I checked with some other members and they agreed that that's what they heard as well. And the quote is something like this: "Come down to my riding, we'll show you how Custer felt."

I don't think that this legislature should have language like that. I don't think that this is a place for that kind of dialogue. I'm sure, knowing and working with that member, that he doesn't mean to say that and I would like to think that he wouldn't think that that's appropriate language. I would ask that the member retract and apologize for that statement, as the member from Saltcoats.

**The Speaker:** — On the point of order the hon. member has raised, it would not be a matter of record nor was it heard by the Chair. However, if in fact such a statement was made, I would afford the hon. member the opportunity to withdraw those remarks.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, if in any which way I was thought of as showing disrespect for that member or First Nations people or anyone else, I certainly did not mean that and if taken that way, I sincerely apologize to that member and for that matter, to every member on that side of the House. Thank you, Mr. Speaker.

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

**The Speaker:** — Will the hon. member withdraw those remarks?

**Mr. Bjornerud:** — Thank you, Mr. Speaker, yes. And I meant to add that, that I certainly would withdraw those remarks.

**The Speaker:** — I want to thank all hon. members. This is a very venerable institution and I appreciate the recognition afforded by members that we must be cautious on the language that we use in this institution.

**Hon. Mr. Hillson:** — Thank you, Mr. Speaker. Mr. Speaker, reform to our tax system means that 55,000 low-income residents will be off the tax rolls. Seventy per cent of Saskatchewan residents will pay no more income tax than if

they lived in oil-rich Alberta.

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

**Hon. Mr. Hillson:** — The debt reduction surcharge will be gone.

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

**Hon. Mr. Hillson:** — The high income surtax will be gone. The Saskatchewan flat tax will be gone.

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

**Hon. Mr. Hillson:** — Overall, Saskatchewan taxpayers can look forward to a 30 to 40 per cent reduction in income tax.

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

**Hon. Mr. Hillson:** — We all know our farm population has been under considerable pressure due to the catastrophic drop in grain prices. This budget provides some needed relief: a 25 per cent reduction in property taxes over two years worth \$50 million; the complete elimination of fuel tax on farm fuels.

This budget is about tax fairness and it is also about tax competitiveness. It is also about being responsible.

The Government of Saskatchewan is establishing a reserve fund, called the Fiscal Stabilization Fund. This fund will ultimately have in it approximately \$290 million, or 5 per cent of the provincial budget. This is our guarantee that if revenues go down or there are unforeseen expenditures, we will be able to maintain the level of government services without cutbacks and without increasing taxes.

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

(2015)

**Hon. Mr. Hillson:** — Mr. Speaker, this is sound fiscal management.

We all know that most municipalities in fact have far larger reserves. In the case of my own home town, North Battleford, the city reserves are equal to one year's budget. Unfortunately, the provincial reserves will be only equal to 5 per cent of the budget.

And yet the opposition says it's wrong for us to have any reserves. They say we should simply spend everything. We know that if we did that, then the first time this province had a forest fire in the North or did something to assist our farmers, we would tip into deficit.

Well, Mr. Speaker, this budget increases education spending by 5.4 per cent.

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

**Hon. Mr. Hillson:** — The Saskatchewan Party says that isn't nearly enough. It should have gone up far more.

Health spending has gone up 11.1 per cent. The Saskatchewan Party says that isn't nearly enough. It should have gone up far more.

Highways spending is being increased by 6.6 per cent. The Saskatchewan Party says that isn't nearly enough. It should have gone up far more.

Finally the Saskatchewan Party looks at the tax cut package — the largest, single, tax cut in Saskatchewan history — and they say the tax cuts weren't nearly enough. Taxes should have been slashed far more. Well, Mr. Speaker, let's face it. You can't make a Tory happy with a budget unless it's written in red ink.

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

**Hon. Mr. Hillson:** — Well, Mr. Speaker, it has to be admitted that some of this income tax reduction has been accomplished by the broadening of the provincial sales tax, and of course we had that very enlightening talk a few minutes ago by my friend from Thunder Creek who told us about the dog food and the drill bits and the drill bits and the dog food and the dog food and the drill bits and the dog food and the drill bits . . . (inaudible interjection) . . . I was going to leave that one out.

Anyway it has to be admitted though there is a grain of truth there. The sales tax was broadened. Admittedly it wasn't broadened nearly as much as Grant Devine and the hon. member from Kindersley demanded it be broadened. They wanted to broaden far more . . . (inaudible interjection) . . . and Moosomin. And so the Tories wanted to broaden far more. Now we didn't broaden the sales tax as much as the Tories say we should have, but it was broadened. We didn't broaden the sales tax perhaps as much as the Leader of the Opposition would have preferred, but we did broaden it.

Well I have to admit that my constituency, being on the western part of the province, we're sensitive to the sales tax issue. But for those unhappy with the broadening of the sales tax, it is important to remember that low income residents of this province will now qualify for the first time for a sales tax credit similar to the GST rebate. Low income residents of this province will now receive \$77 for an individual per year or \$264 for a family.

I think that's a very positive step that we have taken into account the effect of the sales tax on low-income residents.

Well I want to speak for a few minutes on how this budget particularly affects that most wonderful part of our province known as the Battlefords.

Mr. Speaker, while enjoying the benefits of the massive sales tax cut and income tax residents of the Battlefords will now notice a number of substantial programs. Some of the province-wide initiatives I've already discussed will have a huge impact on the people in and around the Battlefords.

The removal of the farm fuel tax and the \$50 million property tax rebate on farmland is important to the farming constituency of my area. Also, Mr. Speaker, work will be getting underway shortly for the new Drumming Hill open custody facility which will be built on the grounds of Saskatchewan Hospital.

I am certain that anyone who has driven through the Battlefords will recognize the commitment the province is making to the downtown core in North Battleford. And I think that I'm confident that there will be a number of good news announcements for the Battlefords in the near future including the Department of Education reaffirming its commitment to the joint-use facility of the North Battleford Comprehensive and the Northwest Regional College.

But the most important aspect of the budget for the Battlefords comes from the Department of Highways and Transportation. The total highways budget spent on the Battlefords last year was under \$100,000. Well, Mr. Speaker, this year it will be \$700,000. In the next few years Highways plans to spend nearly \$20 million in our area. The coalition government recognizes something I've been saying for a long time — the Battlefords is a great place to locate and invest.

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

**Hon. Mr. Hillson:** — A while ago some people were actually suggesting that the Yellowhead Highway bypass the Battlefords. That's what a number of prominent Saskatchewan Party supporters were saying including the member for Shellbrook-Spiritwood. Such a move would have turned our community into a ghost town. Luckily those misguided Tory thoughts are old news.

This government will not squeeze the lifeblood out of the economy of the Battlefords. Instead the Liberal-NDP commitment to this area is shown by the fact that the North Saskatchewan bridge project will commence this year. Work on grading ramps and abutments for the second North Saskatchewan River crossing will commence very shortly. And after the abutments have settled, Highways will continue its work over the next couple of years to complete the bridge and the twinning project.

The coalition was able to cut taxes and increase spending for the people of the Battlefords without putting this province into red. It's no wonder the Saskatchewan Party has few complaints. In fact, I'm pleased to note that my colleague, the member for Battleford-Cut Knife, said it best in our newspaper, the North Battleford *News-Optimist*, published only yesterday, when he said about the budget, "It's not bad; it's certainly a move in the right direction."

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

**Hon. Mr. Hillson:** — Mr. Speaker, what a fine example of co-operation that it's not just the two parties over here could work together. Even the Saskatchewan Party recognizes that this budget is good for Saskatchewan in general and the Battlefords in particular. And I congratulate the hon. member from Battleford-Cut Knife for having the integrity and the insight to recognize that fact . . . (inaudible interjection) . . .

Yes, no wonder the Leader of the Opposition has given his commitment that he wouldn't change this budget.

Well, Mr. Speaker, this budget represents the very nature of the coalition government. It's a compromise. It's a positive balance between the need to fund necessary services, to provide tax

relief, and to be fair to low-income residents. We understand, unlike some members opposite, that to balance the budget and give the people of Saskatchewan a future, there has to be something more than merely tax cuts. A government must show vision. This budget shows that partnership between the two coalition parties, working together, and doing the job we were elected to do — making good policies that benefit the people of this province.

We recognize that within the political process there is room for honest compromise. No one party has the monopoly on good policy. And it also shows that we, as a coalition, listen.

During the past election the Liberals promised university students a tuition credit. The New Democrats offered new students free first year tuition. Both of these options are not found in the budget, and I'll tell you why not. We consulted with the people. They had a better idea. The people told us, and particularly the students told us, that the best way to help post-secondary students was by giving a tax credit for graduating students who choose to remain in this province. This tax credit, which can be used over a four-year period, allows the leaders of tomorrow the chance and opportunity to establish themselves, to get their feet firmly underneath them, and to get a running start at their careers in Saskatchewan.

For the Liberals, it has given us the opportunity to have our voice heard, to have direct input into the workings of government, to apply our strengths, and to make a difference in the lives of the people of Saskatchewan — a goal all parties share.

The coalition is the start of a new approach to politics in this province — a new way of doing business. It allows the opportunity for policy to be discussed, debated, and decided from alternate points of view, taking the best suggestions from both partners and presenting a policy that is stronger because of the process. It gives us the ability, in short, Mr. Speaker, to think outside the box.

For my part, there are times when I think it might be easier to sit on the sidelines in opposition complaining about all the problems and talking about how easy the solutions would be if we were only government. It would be easier, but unproductive.

Well, Mr. Speaker, people are starting to notice this coalition and the work it is doing. Well, Mr. Dick DeRyk, in Yorkton . . . in *The Yorkton Review*, Dick DeRyk writes:

Quite frankly, I don't hear the voters of Saskatchewan, the people of this province who made their decision on Election Day, complaining a whole lot. At least not those who are concerned more with good government than with politics. And there is a huge difference between the two.

Other provinces are watching us as well. And they are pleased with what they see. *The Edmonton Journal*, in a recent editorial said, and I quote:

The coalition may ultimately help restore some of the influence individual MLAs and MPs have come to lack and to dampen the tribal allegiances parties have expected from voters and candidates alike in recent elections. That

can only be good for democracy.

Mr. Speaker, that's what it's all about: doing things that are good for democracy, for individuals, for different groups, for everyone.

Well an example too of how the coalition has allowed us to be more flexible in our thinking is the review of The Automobile Accident Insurance Act, the PIPP (personal injury protection plan) review. Now I know there's been some confusion surrounding the PIPP Review Committee's mandate. However, anyone who wanted to know how broad that committee's mandate is needs only to read the legislation.

The legislation says that the review committee is to and I quote: "Review and report to the Lieutenant Governor all matters concerning the personal injury protection plan." That sounds like a pretty broad mandate, Mr. Speaker.

To emphasize that point, Donna Larsen, the Vice-Chair of the committee has reaffirmed just how broad the mandate is in a letter to the editor in which she said the committee would, and I quote:

Look at the Personal Injury Protection Plan and see how it is working. The committee will look at the personal injury benefits, including the rights individuals have to take actions through the courts. And will look at how the rehabilitation part of this program works.

She said that the committee will work to understand the impact PIPP is having and, in order to do this, it will need to look at comparisons with alternative systems, including the previous tort system.

Mr. Speaker, while the review committee got off to a rocky start, it is my hope that residents of the province, especially those who have been injured in vehicle accidents, and the Law Society of Saskatchewan will now participate fully in this review.

Mr. Speaker, as Aboriginal Affairs minister I want to discuss some of the pressing issues in Saskatchewan today. I have repeatedly said that it is vital to the future of our province that we end the marginalization of Aboriginal people and that they be allowed to fully participate in the economy and in the workforce. Projections are that 35 per cent of our population will be Aboriginal by the middle of this century. We simply cannot afford to have such a large percentage of the population not working, not actively engaged in the economy, and not paying taxes.

Last week, I was at the Yorkton Friendship Centre. Chief Tony Cote at that time commented that if First Nations people are to be taxpayers, they have an absolute right to a full and fair share of all the benefits and programs operated by the province of Saskatchewan. Mr. Speaker, I totally agree.

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

**Hon. Mr. Hillson:** — Mr. Speaker, I've heard some people suggest that removing the PST exemption off-reserve will stimulate economic growth on treaty land. Doug Cuthand, in an

editorial today in *The Leader-Post*, says that:

The real exciting part is “what does this mean for First Nations business?” Now that the provincial government has occupied the field for off-reserve taxation, it leaves First Nations governments with free rein to develop their own tax policy and foster the development of tax-exempt retain outlets (on reserves).

I agree with Mr. Cuthand that this is what may happen. The removal of the PST exemption may well result in significant economic development on First Nations land. I have been asked if this is a problem for me. My answer is, absolutely not. If this stimulates business on Saskatchewan reserves, I say great. Of course, on-reserve exemption from taxation applies to First Nations people and only First Nations customers.

Mr. Speaker, I have said before and will say again that this government is committed to including Aboriginal people in the future of this province. It is dedicated to finding solutions that allow Aboriginal people full participation. In this regard, I want to discuss the Aboriginal employment development plan. I am proud of the work which has been done by my department.

Earlier this year, I received a letter from Dr. Jim Pankiw, Member of Parliament for Saskatoon-Humboldt. He wrote concerning the Aboriginal employment development agreement with the University of Saskatchewan. Let me put this matter in context, Mr. Speaker. At present only about 1 per cent of the support staff at the University of Saskatchewan is Aboriginal. The university doesn't think that's good enough. They want to encourage the training of Aboriginal young people so that qualified applicants will be able to compete for jobs on their own merit. The university wants a workforce which more accurately reflects the demographics of this province. Well Dr. Pankiw was furious, and I want to read into the record some of his comments in his letter. I quote directly from Dr. Pankiw's letter.

Clearly there are many Canadians, myself among them, who will never understand such hate and malice towards the fundamental principles of equality and fairness.

He went on to write:

I am unsure as to what impaired logic is being employed to justify this blatant act of discrimination, but I doubt very few people outside the tyrants of political correctness, will support it. Proponents of this initiative could have been portrayed as modern day Klansmen, though preferring to hide between the subterfuge of politically correct rhetoric and doublespeak instead of a white sheet. Nonetheless the hiring policy being proposed and the inevitable consequences bear a resemblance to the former segregationist policies of the southern United States.

In closing, he writes:

Let me suggest that it is misdirected bigots espousing race-based hiring standards who sow the seeds of hate and foment inequality among Canadians.

Well after this letter, Mr. Speaker, Dr. Pankiw and I had a

debate on the university campus. What struck me was not his opposition to what he termed race-based hiring. In my view, it is appropriate for the political system to question how we can best accomplish a level playing field in the workforce and how we can be fair to a particular target group as well as to the larger society.

No, what struck me was Dr. Pankiw's continual use of the terms “us” and “them” when referring to non-Aboriginal and Aboriginal citizens. He at no time said anything which indicated that he understood that we are one small province and that we are in this thing together. The essential point was not acknowledged nor I think recognized, that despite our external differences we are one society and one people.

On the contrary, he several times made the point that any attempt to help one group was by definition to work against all others. He insisted that a program to help women was a slap in the face against all men, and he insisted that a program whose target group is Aboriginal people is a take-away from all non-Aboriginals.

Nor could he be enticed into considering how we as non-Aboriginal people might be impacted by the prospect of having 35 per cent of our population unemployed or underemployed and largely outside the economy. That apparently was a problem for Aboriginals. Again no recognition that it is a problem for us all. But, Mr. Speaker, it is a serious problem for all of us and it is a problem which inevitably will get worse unless we are prepared to join hands and take action.

Currently about 12 per cent of our population is Aboriginal. In 1992 when the Aboriginal employment development program was introduced, only 3 per cent of the public sector labour force was Aboriginal. Aboriginal unemployment in Saskatchewan was running at 30 per cent compared now to only 4 per cent in the non-Aboriginal community.

Well we also are told by the statisticians that by only 2012, a little more than 10 years from now, 46,000 Aboriginal young people will enter the provincial workforce age. Well we will be seeing many baby boomers leave the workforce and we will in fact be facing work shortage.

Mr. Speaker, unless we get serious at training and education and opening up our workforce, this province will be facing the tragic, and I would suggest bizarre, situation of having high unemployment and work shortage at one and the same time.

We have a problem but we also have an opportunity. We can act now for the good of Saskatchewan. In order for Saskatchewan to reach its full economic potential we must include Aboriginal people in the workforce. But we do not have to be discouraged. We are achieving results. Mr. Speaker, in the health sector alone, well over 700 skilled Aboriginal workers have been added to the workforce. They have been awarded their jobs based on merit because of the Aboriginal employment development program.

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

**Hon. Mr. Hillson:** — Mr. Speaker, I have spoken to some of these young people. They are proud of the fact that they have

competed for these jobs and been awarded them on merit. They are proud of the fact that they are now full participants in the labour force. They are not asking for special consideration, Mr. Speaker. They only want the same chances as my children and yours.

I want to publicly thank the Saskatchewan Chamber of Commerce, the Saskatchewan Federation of Labour and the many business people who have contacted me to get more information on the program. They know that the future of their businesses and of this program depends on our success.

Mr. Speaker, I also want to publicly thank the hon. member from Humboldt in this House. The hon. member from Humboldt and I were on a radio talk show recently, and she publicly endorsed the Aboriginal employment development program of my department, and she publicly stated, on behalf of the Saskatchewan Party, her opposition to the wild rhetoric and ridiculous posturing of Dr. Pankiw.

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

**Hon. Mr. Hillson:** — I am pleased that our attempts to bring Aboriginal people into full participation in the economy has all-party support in this House . . . (inaudible interjection) . . . Yes, it also makes me think that my time spent as desk mate for the hon. member from Humboldt was not entirely wasted.

Mr. Speaker, I've enjoyed this opportunity to participate in the debate. I wish, in conclusion, to make some closing remarks concerning one aspect of my department, namely the anniversary secretariat.

As you know, the world crossed a landmark just three months ago when we entered the new millennium. I want to thank members of my department who organized Saskatchewan's participation in this world-wide celebration. I also want to thank all hon. members on both sides of the House who participated in special events to honour those citizens of our province who had lived in the 19th, 20th, and now the 21st centuries. The three-century club, as we call it, has 176 members in Saskatchewan. And it was very appropriate that we began this century by honouring those senior citizens of our province with special receptions.

In the case of the Battlefords, we had a very pleasant afternoon to honour our seven members of the three-century club. Approximately 150 people attended a tea at the Chapel Gallery. It was an honour for me to make the presentations. When I presented Helen Reynaud, age 100, with her certificate, I shook her hand; she turned to her nephew and said, "Should I kiss him?" To which her nephew replied, "No, he's a Liberal."

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

**Hon. Mr. Hillson:** — As well as honouring the eldest citizens of our province, we were also pleased to specially recognize the 31 new citizens who were born January 1, 2000. Mr. Speaker, I thank all members for co-operating so fully with the millennium celebration. I trust they will be just as enthusiastic to work with my department as we plan the celebrations of the province's centennial in 2005.

Mr. Speaker, the budget presented this week is an important and integral part in our celebration of the new millennium because this budget is our guarantee that our province will face the new century with a strong and vibrant economy, a competitive tax rate, and a reinvigorated commitment to those basic social programs which have built and sustained this province.

Thank you.

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

**Mr. Bjornerud:** — Mr. Speaker, I'm happy to be able to give my opinion of what I think of this give-and-take budget that we are talking about tonight, Mr. Speaker. And this government has become famous for giving a little back to the taxpayer and then turning around and taking a whole lot more back in.

We see this in the income tax cuts that this government made, they say massive cuts. I think about \$41 million, Mr. Speaker, this year. If you offset that with the increases in the SaskEnergy, SaskTel rates that have gone up this year, I think that adds up to approximately \$40 million. So in one fell sweep we see our tax break come and our tax break go. But then, Mr. Speaker, that doesn't even come near to cover the expansion of the PST, which is what, approximately 160, \$170 million a year.

So who's the big winner here? The taxpayers of Saskatchewan or the NDP-Liberal coalition government? You can answer that as easy as I can. The big winner is the government members on that side, not the people of Saskatchewan.

I find it interesting, Mr. Speaker, if we go back before the last election and look at what the Liberal Party at that time — and I'm sure you know what I'm saying, Mr. Speaker — what the Liberal Party was promoting at that time and what the NDP government was promoting.

And let's look at what the Liberals were asking for with agriculture. They said we've got to help farmers. They said it quietly, but they said it. But on the NDP side, what did they say? Continually, Mr. Upshall, the Premier, and every member over there said no, oh, no, we can't help the farmers. Continuously kept saying that.

(2045)

The Liberals at that time said we should do more to help with the education tax on property. They said it very quietly, but they said it. What did we hear from these NDP members at that time? Oh, no, we can't help. Remember, this is before the last election. We can't help the taxpayers out there.

Health care is another example, Mr. Deputy Speaker. The Liberals were saying, especially the doctor was saying, oh, we've got to do more in health care. I've got all these ideas. We need more money. We need all these things. And the NDP were saying no, once again, we can't help. No, God forbid, we can't help.

Municipalities. What did we say there? The Liberals again, Mr. Deputy Speaker, said we have to help, we should be helping. We would, if we were in government we would help. And what

did the NDP say? Oh, God forbid, we can't help. We can't help.

Policing. Another one of the member of the Liberals saying that we've got to put more money in, we've got to hire more police. And the NDP said no we can't, but then at the last minute said yes we can, we'll hire 200 more. But what are they doing now? Now they're saying, well wait and see. A normal NDP tactic.

Highways, Mr. Deputy Speaker. I believe it was the Liberal leader himself that said we should put all the gas tax back into the roads. All the gas tax back into the roads. Now has the shoe ever jumped to the other foot. Because now, yes they upped the money for highways a little bit — 250 million — but that's the first year of, I believe, a four-year commitment so far, they've come anywhere near to putting the \$2.5 billion that they talked about over a 10-year plan. In fact, I believe, it's about 200 million short to this day.

Mr. Deputy Speaker, a good example is out in my constituency. I have a highway that runs from Wroxton to Kamsack. Two years ago they came out . . . (inaudible interjection) . . . yes, good example. The leader says, do you call that a highway? Well not really, but two years ago they come out and fixed half of it and then they disappeared and I don't know if they will ever be back.

**The Deputy Speaker:** — Order. Why is the member for Athabasca on his feet?

**Hon. Mr. Belanger:** — To introduce a guest, Mr. Deputy Speaker.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Belanger:** — Thank you, Mr. Deputy Speaker. Again, I apologize to the member from Saltcoats but it's not every day we have somebody from northern Saskatchewan that probably travelled nine hours from Buffalo Narrows to here, to be here this evening. And I would ask all members, to you and through you, to please welcome a gentleman from Buffalo Narrows. I believe he's the deputy mayor of Buffalo and he is also one fine hockey player. And his name of course is Mr. Brian Morin and I would like all members to welcome Mr. Morin here this evening.

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

#### SPECIAL ORDER

#### ADJOURNED DEBATES

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

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Cline, seconded by the Hon. Mr. Romanow that this Assembly do now resolve itself into the Committee of Finance, and the proposed amendment thereto moved by Mr. Hermanson.

**Mr. Bjornerud:** — Thank you, Mr. Deputy Speaker. Mr.

Deputy Speaker, as I was saying, there's a highway from Wroxton to Kamsack that was fixed I believe two years ago halfway. Now, Mr. Deputy Speaker, that's like replacing every other link in a worn out logging chain because it will break just as quick. It just doesn't work. You either fix it all or you might as well stay at home.

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

**Mr. Bjornerud:** — Mr. Deputy Speaker, I would also like to touch on municipal funding in this budget because we see very, very little for the actual roads out there. There's a few dollars more, but there's very few actually designated to go out and help build, rebuild, our municipal roads.

And you know where they could have got some of this money, I believe, Mr. Deputy Speaker, is a couple of places that this government has spent money that I don't think needed to be spent . . . we have a Garcea report, went around the province, asked people what they wanted, come back, really I don't believe listened to the people, promoted the NDP agenda across, and cost \$750,000. A lady at SARM (Saskatchewan Association of Rural Municipalities) convention, Mr. Deputy Speaker, I thought hit the nail on the head. She said, you know, Mr. Garcea, we didn't have a problem until your government invented it. And doesn't that really tell the whole tale.

Here we have municipal governments out there that have never run deficits, don't really go in the hole as the present government had. So they've kept their house in order, and what are we doing now? We're going out and saying, well now we're going to do some restructuring — not of ourselves, but of the exact people that have kept everything in order out there, cut to the bone, and ran a very tight ship. I find that totally amazing, Mr. Deputy Speaker.

Couple of the recommendations in that report I find amazing, and I talked about municipalities, towns, and RMs can't deficit finance. Some of the recommendations for these new district municipal boards are that, one, they can deficit finance. I find that one very interesting. Cautiously interesting because is this just another way of this government downloading onto municipalities and saying, well you can run a debt. It's okay. We'll cut your share from us. You go out and run up a debt. But they go on. They expand their borrowing powers. They expand their taxing abilities. And that one's a little interesting, Mr. Deputy Speaker. How far is that one going to go? Is that going to let each district municipal body out there — say — put four, five cents a gallon on gas? And one of the recommendations said we have to get each municipality acting as one. Well this is completely going to be the opposite of that. We're going to have five cents here on gas, three there, two and one because of these expanded powers out there.

I think it's nothing more than another way of this government to download onto municipalities and say, but you have the ability to raise money now. We saw it before. I think we're going to see it again.

There's a lot of meetings out there, Mr. Deputy Speaker, right now with a lot of very upset people, and it's not just rural municipalities. Now we're seeing the towns realize that . . . Towns of what 1,500 to 2,000, will not have councils anymore

as RMs are being done away with, RM councils. To me this is amazing, Mr. Deputy Speaker. We have towns of 2,000 people, 1,500, 1,000, 500, that will have no local input. But yet we will have somebody somewhere, maybe appointed by this government — wouldn't surprise me — setting now both our mill rates: the school rate and the municipal rate. Scary, Mr. Deputy Speaker, when you look at it that way.

I might mention that the Minister of Municipal Government I notice lately has been passing on a few of his invitations to functions. I was at one the other night in Wroxton, 250 upset municipal people, and I noticed the one person that was missing was the Minister of Municipal Government. I found that amazing because some of the people there were from Yorkton, Mr. Deputy Speaker, a riding that that minister represents.

In this budget, Mr. Deputy Speaker, I commend the government on a couple of spots here: \$25 million to put some of that education money back in the farmer's pocket, and I thought this is good. I believe it averages out, we were told by the Finance minister, to roughly \$440 a farmer. I mean that's a positive; nobody can see anything bad with that. We also saw the fuel tax lowered for farmers; I commend them for that.

But in the same breath, a couple of days later, the Minister of Education said, if school divisions don't think they have enough money, guess what? Go out and raise the mill rate. Well there goes your \$440, Mr. Farmer, plus probably a lot more. Your fuel tax rebates probably are going to be ate up too and guess what, you're going to gain nothing — in fact you'll probably end up in the hole. This is the same minister, Mr. Deputy Speaker, a couple of days ago was bragging about the vision he had. He said this government, the NDP government, was fiscally responsible but he was the one with the vision . . . (inaudible interjection) . . . Yes, exactly, a hallucination, and I would believe, Mr. Deputy Speaker, that that minister must be very near-sighted if he is the one with the vision on that side.

I'd like to talk also about the expansion of the PST and some of the calls I've had. Car dealers in my area . . . and I have small car dealerships but very good community people that hire a lot of staff out there, and some of them are saying now what this might do to them is the last nail in the coffin. They've been trying to weather the storm in low prices in agriculture and bear through these bad times so that when things pick up they're there. And by expanding the PST I think the feeling out there is they may not be able to make it. In fact, one told me it's to the point where you close the doors here and again head for Alberta, a place that the members opposite know well.

Mr. Deputy Speaker, I'd like to talk just for a second on some of the things that the expansion of the PST will affect, and just go through some of them. Repair services: taxable repair services include labour charges to repair, install, assemble, dismantle, adjust, restore, recondition, examine, test, refinish, or maintain tangible personal property. Tangible personal property includes vehicles, equipment, appliances, furniture — everything. Everything that moves; some of it doesn't even move. We've got her taxed now. Computer services. The list just doesn't stop. Used goods, business assets.

Here's a good one. This is a way to promote business — business assets. Tax must be paid on the purchase price of used

assets that are acquired for business purposes. What better way to drive more businesses to Alberta or somewhere else. Personal goods, Mr. Deputy Speaker. The list goes on and on.

Here's a good one. Non-prescription drugs and medicines. What a better way to hurt the seniors and many low-income families in this province by taxing non-prescription drugs. Maintenance contracts, bedding plants, trees, shrubs.

Here's one that's near and dear to my heart, Mr. Deputy Speaker. Veterinary fees, veterinary drugs, medicines and pet food. And why that really hits me, Mr. Deputy Speaker, is because I have a little dog. Her name is Bugs. She's probably home in my apartment tonight watching this and I don't want to, Mr. Deputy Speaker, be scaring her but now that there's tax on pet food . . . about the 27th, 28th of the month, she may be cut off eating. And I'm sure, Mr. Deputy Speaker, I have a good job, a well-paying job, but if it's going to affect me, can you imagine what that's going to do to low-income pets.

This list goes on, Mr. Deputy Speaker. Dry cleaning, laundry services, telephone answering service, real estate fees. There's an example of millions and millions of dollars I would bet in this province that that added tax is going to generate for this government.

Credit reporting and collection services. Security and investigative services. Flyers and papers and that are sent out.

You know, Mr. Deputy Speaker, it's just another example of give a little, take a lot back in. I don't think we saw the tip of the iceberg yet. When all the details get laid out there, it's probably a way more than 160 million a year.

So, Mr. Deputy Speaker, those additional taxes by expanding the PST are going to hurt growth of business in this province; they're going to hurt jobs and once again, as we said before, going to drive our young people out of this province.

Another amazing thing, and I think it was amazing to a number of members on that side, Mr. Deputy Speaker, was the so-called flush fund — the liquor and gaming fund. The one that the Provincial Auditor thought after the election had \$350 million in it, and lo and behold, now when the budget comes out, it actually has \$695 million.

And I found that amazing, Mr. Deputy Speaker, because looking on the faces of that side of the House that day when the budget was on I think there was a lot of amazement on that side. There was a lot of NDP MLAs (Member of the Legislative Assembly) I don't think knew that that money was sitting there. Only the powers to be on that side knew that this government had hid away \$695 million of liquor and gaming money.

Mr. Deputy Speaker, where on earth was this money when the farmers in this province were asking for help early in the spring, in fact as far back as a year ago last fall? A wee bit of this money would have really helped get the federal government to the table. And maybe, number one, we wouldn't have been stuck with a useless AIDA (Agricultural Income Disaster Assistance) program; and, number two, we might have had a decent payment out of them a lot sooner than the ones that are supposed to be coming now. Too little, too late, Mr. Speaker,



and another give and take example of this budget.

Health care is another example, Mr. Deputy Speaker, of an area that needs a good look to be taken at it. We need to audit that whole system and find out what's being done right and what's being done wrong.

And what's the solution on that side of the House? To hire Louise Simard, the past Minister of Health in this province who was, by the way, the person that started this whole mess, reformed health care . . . got us in the position we are. And what are we going to do? As a government, we're going to put the fox back in charge of the chicken house once again, and here we go again. God help us, Mr. Deputy Speaker.

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

**Mr. Bjornerud:** — An example of health care and the array it's in is in my area, Mr. Deputy Speaker, the East Central Health District, the district where the board disappeared. Both appointed and elected members gone. And you know why, I believe, Mr. Deputy Speaker, it is because that health district, trying to supply health services to Swan River, Manitoba; Preeceville, Sturgis — a big, big area out there — had a \$20 million debt built up.

There's a problem with our whole health care system, but there was a big problem out there. They were doing what Louise Simard had told them to do, and they ran up a \$20 million debt. And how are we going to fix that? Fire the health board and hire Louise Simard back. What a solution to our problems in health care. Mr. Deputy Speaker, it just goes on and on.

You know, I had . . . one of the members mentioned here at supper, Mr. Deputy Speaker, is how do you start a small business in Saskatchewan? And the solution is that you invest millions of dollars, build up a big business, and then sit back and wait, and before long it's a small business. Right? With our taxing system in this province, you couldn't have hit a better example, and you don't have to wait long. After this budget, it'll happen quick.

(2100)

Another area I'd like to touch on, Mr. Deputy Speaker, that we could have saved a few bucks. Today was an example. An ex-member of this House, Harvey McLane, the people of Arm River said in the last election they didn't want him. And now what do we do? We hire Harvey McLane as an advisor to Exec Council. I think this is amazing. The other one we have done in the last week — and I shouldn't say "we" because we had no part of it; it was the Liberals and NDP coalition — Neil Collins, plum job, ex-Liberal candidate.

You know, if I was an NDP candidate that tried to win in the last election, I'd be very, very offended by what's happening here. Well they're not getting the plums, at least yet. All the Liberal ex-candidates are. Like who's next? Gerard Aldridge, or the short-term member from Wood River who won't be with us long. He's going to need a job, Mr. Deputy Speaker. Like where does it end?

The one good thing, Mr. Deputy Speaker, is that the only other

four Liberals in the province I saw in the gallery the other day, and they were even shaking their head with disgust with this budget. So the list isn't very long. We should get the Liberal's patronage appointments over quick and we'll start on the NDP next. Have patience. It's coming, I'm sure.

Mr. Speaker, I could go on and on and would love to, but I'd better let some of my counterparts speak. So, you know, in closing, how many seniors and low-income people, young parents raising families, could have been helped with this budget if the NDP government had saw fit to just lower taxes — not put them up, not take a tax, just lower taxes. You know, and it wasn't too late. One of our members, I believe, is in Swift Current, found a solution to help everybody in this province. Paul Martin offered a nickel a litre on gas if this government, this coalition government, had the gusto to match it. And it's a win win. When you get a dollar of our money back from the federal government by matching with a dollar, we win a dollar in every case. It was a good, good, sound plan. And what does the Finance minister say? Oh we can't. This government is stuck on we can't, Mr. Speaker.

So as you probably can see by now, Mr. Deputy Speaker, I couldn't support this budget in a million years but I certainly can support the amendment brought forward on the gas tax. Thank you.

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

**Ms. Higgins:** — Thank you, Mr. Deputy Speaker. It gives me a great deal of pleasure to stand here this evening before this House to support the first budget of the 21st century — the first budget for this century but the seventh consecutive balanced budget for this government.

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

**Ms. Higgins:** — Mr. Speaker, the people of Saskatchewan are practical people, people who have struggled and persevered throughout the years to build a home and a province that we can all be proud of. Through good times and bad, we have proven ourselves to be innovative and a very hardy bunch.

Mr. Speaker, not that many years ago in my constituency of Moose Jaw Wakamow, we went through some very tough economic times. You could have walked down Main Street and seen any number of empty buildings. Businesses had closed, changed, moved away. A lot of jobs had been lost. Our city looked like it was going to fade away. Mr. Speaker, the people of Moose Jaw didn't turn out the lights and all move to Alberta. No, the citizens of Moose Jaw, with that true Saskatchewan spirit, took a hard look at our situation, took stock of the assets and qualities that our city had, and decided that if the old businesses were no longer there then we would find our niche and develop new opportunities.

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

**Ms. Higgins:** — Mr. Deputy Speaker, I invite you to walk down Main Street Moose Jaw today. Our city has been revitalized through the hard work of our citizens, our business people, our city council. And with the support of this government Moose Jaw is alive and well.

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

**Ms. Higgins:** — Our old Land Titles building is now an art gallery lovingly restored by well-known local artist Yvette Moore and her family. Our CPR station that sat empty for a number of years is now a very unique liquor store. Mr. Speaker, I could go on and on. The list is long. But an important part of Moose Jaw's heritage revitalization and our tourism growth is that our city has been rejuvenated. And Mr. Deputy Speaker, with this rejuvenation, Moose Jaw has attracted new businesses: a new department store, new hotels, additions onto current hotels, food outlets, restaurants, a furniture store, and as recently as Friday, Mr. Deputy Speaker, an announcement of an Alberta company, XL Foods Inc., purchasing the Western Canadian Beef Plant in our city.

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

**Ms. Higgins:** — Imagine Mr. Deputy Speaker, an Alberta company expanding into Saskatchewan. Maybe the grass is greener on the other side of the fence, and some of the members just haven't realized that we're already on the right side of the fence.

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

**Ms. Higgins:** — Mr. Speaker, optimism breeds optimism. It's contagious. I'm amazed by the projects that are in the works in Moose Jaw. The feeling is everywhere that anything is possible.

This budget, Mr. Deputy Speaker, also has that same feeling of Saskatchewan vision for growth and opportunity. Our responsible, balanced approach has supported the longest period of sustained economic growth since the 1970s. As practical people, the citizens of Saskatchewan expect our government to be fiscally responsible.

**An Hon. Member:** — And we are.

**Ms. Higgins:** — Fiscally responsible and to live within our means, the same, Mr. Deputy Speaker, as we all do at home. But also to provide the best possible services within that fiscal responsibility. In this budget, we have again stuck to those values. And with the new Fiscal Stabilization Fund we will have even greater security for our citizens in the province.

Lately we have heard a great deal about the future of medicare. We need not look far to see that true Saskatchewan spirit of innovation and perseverance right here within our Health department and our health districts. Not long ago, I attended an announcement for a mobile CT (computerized axial tomography) scan unit that will travel between Moose Jaw and Swift Current. This CT scan will provide service for patients in the five health districts in the southwest corner of Saskatchewan. The hard work of the Department of Health, the five health boards and the staff of the health facilities has given us, Mr. Deputy Speaker, just one more unique made-in-Saskatchewan solution.

Mr. Speaker, with this kind of commitment to what at times may seem like insurmountable problems and with our government's commitment to medicare, I have no doubt that Saskatchewan health care will remain the envy of others for

years to come.

Mr. Speaker, I can stand here and brag about Moose Jaw's rejuvenation. But I believe good news stories such as these are happening throughout the province. This government's continued support for education, agriculture, economic growth, and research and development laid out in this budget speaks well for our government's commitment to our province today but also our vision for Saskatchewan of the future.

Finally, Mr. Deputy Speaker, I must say a few words about our government's tax reform. Over these last few months, many hours have been spent at many meetings discussing the tax reform package proposed by the Vicq report, listening to constituents, friends and yes, even getting advice from family. It has been an interesting and worthwhile experience.

As human beings, it's our nature to be leery of change and when that change involves taxes, a topic that affects us all, but is understood totally by few, we are even more leery. How would changes affect low-income families? Students? Business people? Seniors? The possibilities were endless.

I must commend the Department of Finance for answering the never-ending stream of questions and for doing a never-ending amount of calculations to answer those questions put forward by all us backbenchers before the final decisions were made. Thank you very much.

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

**Ms. Higgins:** — The three guiding principles of tax reform: tax reduction must be sustainable and be funded from new revenues; it must be matched by investment in public services; it must be fair and progressive. These principles were important and enforced our government's commitment to a balanced, fair approach for all Saskatchewan citizens.

The PST rebate for lower income earners and for fixed income seniors will be an important part of the tax reform package in my constituency. It will help to offset any added costs for those in the most need. Going to a three-rate structure of a tax on income and getting rid of the dreaded flat tax, debt reduction surtax, and the high income surtax will also be seen as a welcome improvement.

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

**Ms. Higgins:** — Mr. Speaker, this is a good budget, a budget that holds a promise of growth and opportunity for all of us in Saskatchewan, and it gives me a great deal of pleasure to put my support solidly behind it.

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

**Mr. Brkich:** — Thank you. I have the honour here today to stand in the House to reply to last week's budget address. The residents of Arm River, which I'm proud to represent, are clearly very concerned with the contents of the budget this government has set forth.

Over the past few days, I have listened closely to the concerns to my constituents about this budget and save for a couple of

small issues, the people of Arm River have given this budget a failing grade.

The reasons are, of course, the immediate tax grab at midnight that night of over \$150 million — the glaring . . . (inaudible) . . . of critical press reports. And just a number of services that have been taxed by this government. Number one of them . . . I won't mention like some of my other colleagues have, but one of the ones I've mentioned to us, mentioned to me from Arm River and from the cities here, is a tax on services. People that go out and just work with their hands, you're now taxing them. You find that . . . people find that very disturbing.

The Saskatchewan taxpayer should be worthy of our highest respect as we serve this noble office, but the way this government treated the tax issue shows me very clearly that this government has little respect for the hard-working people of this province. Of course we all know now that the so-called historic tax cuts are in reality a tax hike this year for Saskatchewan people.

My colleagues have done a good job of accurately sorting out this mix in numbers that the government has set before us so it seemed redundant on my part to repeat the numbers yet again. Suffice it to say that we leave the mixing and numbers to the Finance minister who is very good at mixing them up.

As I spoke to my constituents these past few days, the message I received regarding tax relief was one of disappointment, Mr. Deputy Speaker. My residents clearly said that while drastic across-the-board tax relief was not expected, at the very least they wanted to see some form of tax reduction this year.

We did not get anything that even resembled a meaningful tax relief policy by this government. Mr. Deputy Speaker, the people of Saskatchewan understand that taxes are needed to maintain services but a tax increase without any major improvement to the health care, education, roads and aid for farmers is the last thing this province needed.

This along with the government's obvious intention to close more hospitals, more schools, more court houses, and remove local government through forced amalgamation, clearly indicates that this government is abandoning all hope for the rural way of life.

Health care in this province does not see any hope of lasting improvement in the wake of this budget. As the health care system continues to struggle, this government saves hundreds of millions of dollars for a rainy day while the very integrity of the health system and the people's lives hang in the balance.

I am at a loss to understand how this government can hide under an umbrella of taxpayers' money while the people of Saskatchewan continue to be soaked with economic uncertainty, declining services and declining population.

Mr. Deputy Speaker, the Health minister has set aside \$150 million for a health transition fund. I ask the minister: what is this money being set aside for? Will this be used to administer the closing of hospitals in this province?

My constituents are very concerned with this question and I've

had many calls over it. Perhaps a new title of this department could be the hospital closure department. Why would you even put it a fund? Why not just drop it in the health care system? This makes us out here very, very nervous.

(2115)

However when we look at the agriculture policy addressed in this budget, there are a couple of small but welcome efforts made by the Finance minister. In response to unrelenting pressure by our party and the people of Saskatchewan, we have seen at least some good news for farmers.

Dropping the cap on farm fuel rebates will be most welcome for producers faced with higher fuel prices in the year 2000; however this only applies to gasoline purchases which makes up a small part of the farm fuel bill. Diesel fuel prices are also very high this spring, and I believe we need to work hard to lower these critical costs to producers. There is a road tax on it.

A modest rebate of farm property tax is also welcome though it's probably a classic case of cause and effect — the cause being tax revolt meetings, the result being his usual band-aid to a bullet wound.

Mr. Deputy Speaker, there still needs to be a more concrete, long-term support system put in place for our farmers. Are our provincial farmers doomed to a future of demonstrating through the winter at the legislature, resulting in only half measures and . . . (inaudible) . . . programs cooked up by this government and Ottawa? For the sake of the entire agriculture community, I hope there is more.

My constituency . . . the local papers are full of land for sale, land for rent, and equipment auctions, more than I have seen in over two decades. Sadly, many farmers have come to the conclusion that enough is enough with very little in the way of either monetary or at the very least moral support from this government. Some of them are throwing in the towel. The damage being caused to the rural social fabric is devastating.

What this government has called the rural transition, many farmers are now deciding this has become an exodus; get out while you still have something, is this spring's catchphrase.

Mr. Deputy Speaker, let's turn our attention over to the education portion of the budget. Our hon. Education minister must be very proud of his effort for Saskatchewan students. Today the costs are now higher for all higher levels of education thanks to the PST expansion and the freeze in educational funding levels. Both students and teachers are finding an increasingly difficult situation to deal with on a daily basis.

The minister's response or lack of response to the education problems was to endorse what was obviously a strike at the future of young people in our province. If the minister who claims to be a Liberal would begin to work with the students of Saskatchewan rather than against them, perhaps then the issues of education begin to improve.

Mr. Deputy Speaker, for a government, you seem set on expanding provincial education health tax, they're certainly not

improving in any way the very institutions they claim they are collecting for.

Mr. Deputy Speaker, as we're well aware, springtime in our lovely province has arrived, and for farmers who are able to, thoughts of seeding are at the forefront of their minds, the grass begins to turn green. Flowers begin to grow, and of course, pavement in our highways begin to fall apart. How ironic it seems to have high gas prices versus crumbling roads. Now the average Saskatchewan resident has two reasons to stay at home. Once again . . .

**The Deputy Speaker:** — Order, order. Order. All hon. members, I just wish to point out that the level of noise is rising. There's no individual at fault here, but I ask all hon. members' co-operation in keeping the noise level down, so our guest in the gallery can hear what's going on.

**Mr. Brkich:** — Thank you, Mr. Deputy Speaker. Well maybe I'll just have to talk louder.

As I was going, again our far-sighted government decided to put forth only a small portion of what's really needed to renew our infrastructure. Perhaps the reason is that the government is afraid to lose its support of the automotive repair industry which provides millions of dollars worth of shocks, struts, tires, wheels, and hubcaps to Saskatchewan's battered vehicles each year.

Mr. Deputy Speaker, as I look through the budget, one of the numbers that I've been looking at, Sask Water budget . . . it seems that this budget has doubled, something that I, as Sask Water critic, is interested in. Since I may have been responsible for the result of that since the many requests I've made to the minister over there, clearly for all the work that needs to be done throughout the province, such as channel clearing, increased funding for conservation development authorities, bridge repair, drainage products, channel work infrastructure, and assistance for rural potato producers affected by the previous government policy.

Since I feel I've been instrumental in getting this increase, I feel that I should have a say in how it is spent because I believe the minister can use all the help he can get. The only concern I have with going over the Sask Water budget too, another one I found, was the last major increase budget occurred in 1996. Possibly, that was before my time, possibly the year that SPUDCO (Saskatchewan Potato Utility Development Company) was formed. Mr. Deputy Speaker, I hope that Sask Water does not intend to use this extra money to invest in another failed venture.

I cannot help but come back again to the issue of the expanded PST and its far reaching implications. Mr. Deputy Speaker, what real benefit has this government attained by its highly touted Vicq report that's recommended a drop in the PST to 5 per cent, taxing almost everything, only to keep it at 6 per cent and tax whatever it felt like taxing? Only an arrogant and out-of-touch government would have implemented such an off-handed policy on the backs of the electorate.

And it seems that this government left no stone unturned in their bid to extract tax dollars from hard working residents. Yes,

this government gave the full package deal to Saskatchewan families. Their motto was, after we take more of mom and dad's pay cheque and reduce the quality of the kids' education, we will complete the package by taxing Rover's meal. They even tried to tax Ronald McDonald but that didn't pan out. As I said, they left no stone unturned. While this may seem humorous, it only underscores the length to which the NDP will go to further build up their slush fund while ignoring essential services to residents.

Expansion of the PST for off-reserve purchases is another policy brought forth by this government. While the noble people of Saskatchewan First Nations believe firmly in the ideal of fairness, quality, and the true spirit of negotiation, they felt like most other Saskatchewan residents, that they had been shut out of providing any valuable input towards the formation of the government budget policy. It is the lack of negotiation and that spirit of goodwill which has gravely concerned First Nations leaders in the province, and these concerns should be addressed.

Mr. Deputy Speaker, in his speech last week, the Minister of Finance referred several times to the historic nature of the policy contained in his budget. Mr. Deputy Speaker, I find this a puzzling term when considering the policy or lack of policy that the minister was referring to. A historical event is most often an event occurring in the past to which greatness and fame can be attributed. I see absolutely no greatness in this budget and its contents. I do not see fame; but indeed infamy. Fifty years from now this government will be looked back upon for what they didn't do rather than what they did do.

Mr. Deputy Speaker, Saskatchewan does have a great history. The pioneering spirit to this great land goes back well over a century, a spirit forged out of goodwill, determination, and a passion for the fundamental elements of democracy. The veterans proved the greatness through two world wars fought for the cause of democracy and peace. Saskatchewan people suffered gravely through the great depression and worked hard to build this province to what it is today.

In closing, I would hope that this government rethink some of this new policy for further damage . . . before further damage is done to the welfare of Saskatchewan people. The people of Arm River constituency also hope that this government would do better for a brighter future here in Saskatchewan. And I will continue to press this government to set this province on the right track.

Mr. Speaker, for that reason, I cannot support this budget but I will support the amendment brought forth by the member of Rosetown-Biggar.

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

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I want to, at the beginning of my remarks, indicate that I very much support this budget. As a matter of fact, I want to say that I'm very proud on behalf of the people of Prince Albert Northcote to be able to support yet another balanced budget by this administration.

And I also want — before I begin commenting on the budget —

to thank the people from Prince Albert Northcote for sending me back to represent them in the legislature one more time.

I just will be brief tonight, Mr. Deputy Speaker, but I want to make a few observations before I take my place. Firstly I want to say that this is a very good budget for the people of Saskatchewan that will deliver the largest tax cut in the history of this province.

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

**Hon. Mr. Lautermilch:** — And that's what people were asking members on this side for, and that's what we've been able to deliver. At the same time, Mr. Speaker, increasing in very important spending areas like health care, \$200 million in extra funding; education, an increase of 5 per cent; removing totally the farm fuel taxes; and as well, a \$50 million rebate on agricultural land.

So, Mr. Speaker, as I listen to members opposite, they chose to ignore the decreases in taxation that was and is a very big part of this budget — \$260 million a year by the year 2003. And I want to say as well that I'm very disappointed in the approach that this opposition is taking. So let me speak particularly to the new members tonight.

You had a chance to represent your constituents in support of an initiative that would reduce their taxes. But you chose not to do that because you're still led by the same old crew who was part of the administration that put us millions and millions of dollars, billions of dollars in debt in the 1980s. And I want to talk a little bit about that tonight, Mr. Deputy Speaker. They're leading them into asking this provincial government again — not unlike the 1980s — to reduce the fuel tax. And they got to remember history: \$140 million a year that Grant Devine, the former premier, reduced the fuel tax — all borrowed money — with no consideration with respect to balancing the budgets but cheap political expediency. And that's exactly how that got to be part of an initiative that came from this legislature, and I want to say shame on them for not remembering the history of this province.

Mr. Speaker, I want to go back just a few years. I want to talk about a couple of areas tonight. One is with respect to taxation. And I want to remind members opposite where part of their caucus was just a few short years ago with respect to sales tax.

And I want to just quote from Hansard. This is from December 20, 1991. It's not a long time ago at all. The member from Souris Cannington, and he says: "But let me tell you, sir, that synchronizing the tax was not bad, was not one of those mistakes." He was referring of course to . . . he said we recognize that we made mistakes. But then he goes on to say that synchronizing the taxes was not one of them:

The basic premise of this synchronization of the tax system is right; it's economically sound for the people of Souris Cannington. It's absolutely essential.

And that's what he said. Not an expansion, Mr. Deputy Speaker, to the sales tax, but total harmonization with the Tory implemented GST.

And I want to say, Mr. Deputy Speaker, he went on as well . . . same day:

They need to raise some revenues as some point as I mentioned earlier, Mr. Speaker. Those revenues are going to take various forms, and I think the synchronization of the E&H tax with the GST, Mr. Speaker, is the preferable method.

And this is one of the leaders in their caucus. And today they list a member from Swift Current who worked for another guy from that era . . . Mr. Gerich was listing a number of items that are going to be taxed under the expanded provincial sales tax. And he's probably right.

But I want to go back to the member from Cannington: "How do you plan to replace this revenue," says he. "Will you raise personal income tax (and this is a quote) when we were eliminating the Bill that harmonized the provincial sales tax with the federal GST?" And that's what he said then. So what does he say now? What does he say now, Mr. Speaker? What does he say now?

And I want to quote — this is from April 23 of that same year, 1991 — the member from Moosomin who sits as part of this caucus. And here's what he says:

. . . We may feel that 7 per cent a large tax but in reality, if we looked at other areas of not only our country but other areas of the world, we would find that the residents of this province, in total, really don't face a great burden . . .

That's what he said. That's what he said, Mr. Deputy Speaker.

But in this House, faced with a budget that delivers the largest tax reduction in this province's history, they want to focus on anything but the tax reductions because they know it's the right thing to do for this economy. They know it's what the people of Saskatchewan were sending us here for and asking us for, and they don't want to talk about it.

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

**Hon. Mr. Lautermilch:** — And all of you should know that they don't want to talk about it and why they don't want to talk about it.

Well I say, Mr. Speaker, that simply isn't a good enough critique. These from people who were going to deliver us . . . the Leader of the Opposition continually says we're going to start delivering some good critique, and we're going to be a responsible opposition. And I say, Mr. Speaker, they had an opportunity to start right during this budget, but they chose to play petty politics as opposed to doing an honest and a fair critique of the budget.

And so I say to you, Mr. Speaker, I'm not going to be quoting any more from where they were on sales tax because it's clear where they were. They've got a number of little items that they'll want to discuss.

But I say to you, Mr. Speaker, it's not what the people of this province are asking for. They're not asking for a \$60 million

tax cut on fuel when we have delivered just days ago a budget that showed an \$8 million surplus.

How do you make that wash, I say to the member from Swift Current. You offer up \$60 million in fuel tax with an \$8 million budget. But that's exactly how you guys and your friends got us into problems, and that's why we're still spending \$750 million a year to serve the interest on your debt. That's how you got us here and we aren't going back there, I say to members opposite. We're not going there.

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

**Hon. Mr. Lautermilch:** — Mr. Speaker, I also want to say there are some comments that have been made by members on the other side that I think all of us need to be reminded of. We've seen them standing here and ask for increases to health care spending, over and above what we budgeted, the 200 million extra that we budgeted. They've asked for extra for highways, they've asked for extra for education. Mr. Speaker, that's not all. They've asked for more into the pockets of the farmers and we have done what we can in this budget to address, as much as we could afford, assistance for farm families.

But I tell you what we're not going to do. We're not going to follow their suggestions and lead this province back into deficit budgeting.

And I tell you, Mr. Speaker, they say one thing and they do another. I want to quote from the Leader of the Opposition in a speech he gave in the House of Commons June 2, 1995. Now that's when he was a Reformer of course. He's not a Reformer now, he's a leader of what they call the Saskatchewan Party. But I want to say to you, Mr. Speaker, it's one thing in opposition as a Reformer, and I just want to remind him where he was.

Week after week after week, he and his party have been calling for hundreds of millions of dollars to go into farm support. And, Mr. Speaker, we will do what we can. But I want to remind that member what he said when he was in the House of Commons in Ottawa:

The government must set some priorities. I cannot enunciate this strongly enough. The first priority is to get out of the grants business 100 per cent; (said he) no more grants, period.

And I want to say, Mr. Speaker, he goes on. He makes another couple of points, but then the fourth point was very interesting again. And he says:

... there should be no guarantees to small business and there should be no loan guarantees to ... (farmers).

Now, Mr. Speaker, this is a very, a very short description of what this opposition party is about. This is politics, straight and simple. It's nothing more and it's nothing less. Promise, promise, promise, and never ever once consider what you have to do to pay for your promises. And the member for Souris-Cannington says, from our perspective, it's tax, tax, tax.

I'll say to you, Mr. Speaker, that member knows full well that there are going to be 55,000 people who are no longer going to be on the tax rolls in the year 2003 when this plan is introduced and he knows that. He knows that and he ... He knows that but he doesn't want to talk about it. He chirps from his seat and that's fine. That's fine.

But I tell you I just want to share with you what a single senior at the end of the year 2003 will be saving — a net saving of \$540, Mr. Speaker, a net tax reduction for a single senior of 52.7 per cent. That's what this budget is about and I tell you, you can continue your snow job, member, but you know how long it'll last? Till July. Till July when people start feeling the impacts of more money in their pocket from the budget that was delivered by the Finance minister just short days ago.

And I want to tell you as well that the chamber of commerce and the business community know what these changes meant to them. And they know what it's going to mean in their pockets. So I say, the member also knows that in this year there's going to be a net decrease of taxes to the people of Saskatchewan of \$40 million. And he knows that. He knows that.

But I tell you what. All of you continue to play politics and that's fine. What we'll do is continue to deliver responsible, balanced budgets for the people of this province.

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

**Hon. Mr. Lautermilch:** — And we're going to continue to lower the taxes in this province and make this province even more competitive than it is now.

And I say to members opposite, they can talk about Alberta and they can talk about the Alberta advantage all they want. But I tell you what. We never had Leduc #1 here in 1949. We never had the light sweet crude reserves. But I tell you what we had. We had a Tory government in the 1980s that almost brought this province to his knees and we're still fighting our way out of it and we'll bring this province back.

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

**Hon. Mr. Lautermilch:** — Mr. Speaker, this opposition has done more to destroy the confidence of the business community and our young people than any single entity that I can think of in this province. I never hear a positive statement come from the opposition members with respect to the good things that are happening in this province and there are good things that are happening.

The resource sector, the member from Swift Current knows full well what's going on in your area. There's been more oil ... there have been more natural gas wells drilled in that area in the last three years than you've ever seen and you've lived there for a long, long time. And I tell you what, Mr. Member, there's going to be a lot more.

You got record numbers of heavy wells drilled, we've got oil and gas being pumped out of the ground in areas where Tri Link and Berkley Petroleum are working areas that have never, ever been — never, ever been worked. And there are some good things happening. But I tell you, you continue to spew gloom

and doom and that's fine. I and my colleagues, this coalition government, will continue to deliver a positive message to the young people of this province to tell them that there is a good opportunity for them to get married, raise their kids and their families here in this province. And there will be opportunities in the future and they will be created because we're having a responsible administration that's reducing the debt, that's reducing taxes, and that's going to continue to create a positive environment for Saskatchewan people. And that's the difference between you and us.

Mr. Speaker, I wholeheartedly support this budget and I will not be supporting the amendment.

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

**Mr. Kwiatkowski:** — Thank you, Mr. Speaker. On behalf of the citizens of the Carrot River Valley constituency, I am very pleased and honoured to rise in the Assembly today to participate in the budget debate. This is my first opportunity to offer a comment on the fiscal competency of the government since receiving the confidence of the citizens of the Carrot River Valley riding last fall.

Mr. Speaker, this budget debate should represent a turning point in the history of this province. Last fall the citizens of this great province indicated their willingness to plot a new course for the future. The popular vote in September's election was very clear. The governing party was rebuked.

The first budget of this legislature should be a roadmap to guide us on a journey of renewal. I am sad to report, Mr. Speaker, that the minister appears to have given this important assignment his best shot and has proven to be a less than stellar pilot. Or co-pilot. We're not sure which is which anymore.

However, before I offer a few observations and suggestions to help the minister focus on the task at hand, I would like to offer a few words of encouragement. I would not after all want to discourage him any further. His is a difficult and important assignment. And after looking at the players filling the benches around him, it's abundantly clear he needs all the encouragement he can get. At the outset, Mr. Speaker, allow me to congratulate the minister. I know it is unusual for an opposition member to offer congratulations to a member opposite, but today I believe it is in order. I want to congratulate him for having the courage to recognize one fundamental and critical fact — that he and his party have been wrong.

The cornerstone of this budget is a profound restructuring of the system for financing government operations. At the very heart of this year's budget document is a completely new approach to generating tax revenue needed to fund public spending. In short, Mr. Speaker, this Minister of Finance, indeed this government, has finally conceded that the system they built over the last 50 years is broken and badly in need of an overhaul. I would like to acknowledge the minister's powers of observation for recognizing his government's fiscal shortcomings.

And, Mr. Speaker, I would further congratulate the minister on convincing his colleagues that nothing short of a wholesale restructuring of their beloved tax and grab system was the only option left. Frankly, Mr. Speaker, I am not surprised we're

seeing these changes this year. Some of these changes should have been made years ago. Maybe it's just that the members opposite lacked the cerebral dexterity to move quicker.

But all citizens of Saskatchewan understand that this minister has been in his current post for only a few years. I have been pleasantly surprised that in that short period of time he has not only seen the light but has managed to successfully explain some of the simple stuff to some of his caucus colleagues as well. I am certain, Mr. Speaker, that he secretly would thank the members on this side of the House for making his job easier. If it weren't for our electoral success last fall, he would have had another dozen or so slow learners to put through his class. In fact, he's done such a good job of helping his NDP colleagues come to grips with economic reality, I suspect he's already working on a book entitled "government economics for dummies."

Mr. Speaker, this budget and the Minister of Finance, who has taken great pride as its author, offers an extremely distressing testament to the state of affairs in Saskatchewan. By adopting a completely new approach to taxation, this minister has rejected everything he, his government, and more importantly, his party espoused for the past half century. In very simple terms, Mr. Speaker, the Minister of Finance rose in the House last week and announced that his government and his party, which have governed this province for most of the last half century, failed. Very simply, as we enter a new millennium the New Democratic Party came to the realization under their management Saskatchewan is a failed social experiment.

(2145)

Mr. Speaker, the NDP and their predecessors took a thriving, vibrant province built by the pioneer spirit of immigrants who came looking for an opportunity to excel and turned it into a social test tube. Sadly the evil brew the NDP and the CCF (Co-operative Commonwealth Federation) concocted has all but killed this province's spirit of enterprise and optimism. This budget with its fundamental change in direction amounts to a confession by the NDP that their plan is a failure and now they're looking for a fresh option.

The option they have decided upon, Mr. Speaker, is worth noting. This minister has, for example, announced that the rate on capital gains will be dropped. And why did he do that, Mr. Speaker? Because many Saskatchewan people have been moving to Alberta to liquidate assets. They are doing it because Alberta has a lower tax regime.

You see, Mr. Speaker, the minister has concluded that this insidious doctrine of socialism has failed. Mr. Speaker, after 50 years of NDP and CCF mismanagement, Saskatchewan is a failed social experiment. But I am proud to report an important member of the government opposite, no less than the Minister of Finance, has now come to the same conclusion.

If this failure had not so severely undermined Saskatchewan's economy and its future, Mr. Speaker, I might actually feel sympathy for the minister. After all being the first to recognize that your entire life in public service you were misguided must be difficult.

Mr. Speaker, this minister also announced profound and fundamental changes to the province's income tax structure. And why did he do that? Because he had to, Mr. Speaker, because Saskatchewan under the NDP's management has fallen behind.

It's very interesting, Mr. Speaker, that this minister has chosen to defend his budgetary decisions by announcing that in three years Saskatchewan will have a tax system that is as competitive as Alberta's. There it is, Mr. Speaker, the smoking gun. The NDP government has announced that Alberta had it right and Saskatchewan with its NDP-CCF management team got it wrong.

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

**Mr. Kwiatkowski:** — Mr. Speaker, it is customary for a member of the opposition to raise a question of confidence in the Minister of Finance and the budget document. Ironically the minister himself has called into question the competency of his party and previous governments, of which he was a senior member, with this document. Even he has lost confidence in the approach and the platform employed by the NDP and the CCF over the last half century.

I want, Mr. Speaker, to welcome the minister to reality. By abandoning a failing system and looking for a solution that has worked for provinces like Alberta, you're showing promise, albeit 50 years too late. I'm confident that if the minister persists, even some of the brighter ones in the NDP caucus will begin to catch on. So in a way, Mr. Speaker, this debate is about a good news story. It's about a government that, after 50 years of failed experimentation, has decided to remove the blinkers, to expand its horizons and seek an alternative that is functioning effectively. The sad news is that it took so long and so much damage was done to the province of Saskatchewan along the way.

I would ask you, for example, to consider the problems this government has inflicted on the community of Carrot River, an important centre in the riding I represent to this Assembly. Carrot River, Mr. Speaker, is a beautiful town that offers a vibrant and wonderful lifestyle. One of the members opposite raises the question of the sawmill. I hear rumours the sawmill may in fact be relocating from Carrot River because of a lack of medical services. So, so much for that.

It blends a combination of enterprising people with the blessings of Mother Nature, has a high profile regional park complete with a challenging, visually appealing golf course. It also holds the promise of a buoyant tourism industry built around a remarkable dinosaur discovery. All in all, Mr. Speaker, this is a community with a strong history and a promising future. Recently, however, this government has at best left the residents of Carrot River and area with a feeling of disappointment over the handling of their health care delivery and at worst, Mr. Speaker, they are angry and feel betrayed. A few short weeks ago, residents of Carrot River and district were told the community's hospital would be closed. Just another victim of the government's mishandling of the health care budget and system. Once again, Mr. Speaker, we see evidence of the NDP's failed social experiment.

This party that so proudly proclaims from one end of Canada to the other that health care is the NDP gift to Canada is also the party that takes it away, Mr. Speaker. And the budget delivered by this Minister of Finance does nothing to address the situation. In fact, he has only confirmed that the people of Carrot River need not look to the NDP for answers on health care. It is abundantly clear, Mr. Speaker, that this government and the NDP Party have lost their way. They revel in living and re-living past glories, the heady days of bringing publicly funded health care to Saskatchewan and Canada. Well, Mr. Speaker, that was 40 years ago. This is an outfit sadly passed its prime. Like the boxer who doesn't know when to hang up his gloves, the NDP of today, as represented by the members opposite, is a relic of a bygone era.

The NDP, Mr. Speaker, is to modern governance what the leisure suit is to fashion. Once on the leading edge, today it's badly out of style. Perhaps the time has arrived, Mr. Speaker, for the railwayman's boy to take a walk in a snowstorm as well and to ponder his future about public life. It's clear to the members on this side of the House that after almost four decades in politics the Premier and his party have found themselves out of step with a rapidly changing world.

Fifty years of socialism have been a bust, Mr. Speaker. The government has found itself looking to Alberta for solutions. After 30 years in politics, even the province . . . the Premier, looks to the West, to Alberta. And what does he see, Mr. Speaker? He sees hundreds of thousands of people who grew up in Saskatchewan, people who were drawn to a vibrant economy built on a people-friendly tax system. In fact, Mr. Speaker, that tax system is so friendly the leisure suit crowd across the floor has now come to the conclusion it has no option but to copy it.

What a stark revelation, Mr. Speaker. It's obvious the socialist way has failed, even after 50 years of trying. Sadly, Mr. Speaker, Saskatchewan under the NDP and their predecessors have proved to be a social experiment that went wrong. As people left the province in droves, those who stayed behind were treated to hospital closures.

No, Mr. Speaker, it is not difficult to understand why the Minister of Finance determined that the tax regimen he and other socialist ministers of Finance administered had to change. Very simply, Mr. Speaker, it didn't work. At last one minister, the Minister of Finance, has the courage to admit it. For that, I commend him.

However, I find it difficult to accept that it took him and those of his political persuasion most of the last century to figure it out. The people of this province have paid just so the NDP and CCF could tinker in their social laboratory. The people of Saskatchewan deserve more than to be treated like guinea pigs.

So, Mr. Speaker, we have reached a milestone in this province's history. The first one came nearly a hundred years ago when the province was formed, a vast piece of the new world that held promise for hundreds of thousands of immigrants. The second came in 1944 when the great experiment began. And what's really interesting is that my grandfather and grandmother immigrated to this country in 1928 and I don't think that they expected, after having escaped a similar type of experiment in Europe, that their children and grandchildren would be



subjected to the very same thing in this province in Saskatchewan.

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

**Mr. Kwiatkowski:** — The experiment, Mr. Speaker, is now complete. It failed. Even the Minister of Finance has had to acknowledge its demise. That, Mr. Speaker, is the third milestone. The NDP lost its way and now they've embarked on a new strategy, one that those of us who sit on this side of the Assembly have advanced since the Saskatchewan Party was formed.

Mr. Speaker, before allowing my name to stand for election for the Carrot River Valley riding I was actively involved in SARC, the Saskatchewan Association of Rehabilitation Centres. It's an organization that makes it possible for people with disabilities in our province to fulfill their promise, to make a contribution to the best of their ability. It acknowledges a champion's initiative. It's a symbol of the importance of contributing to the growth of an economy and a society. It's about empowerment and making it possible for people with disabilities to feel the joys of achievement and the fulfillment of assuming responsibility. It's not about sympathy, Mr. Speaker, nor is it about paternalism. It's about helping people find their way in the world.

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

**Mr. Kwiatkowski:** — Mr. Speaker, I have seen first-hand how powerful things such as initiative and responsibility can be. The people of this province have the ability to excel. We have proven time and time again that Saskatchewan people can go anywhere in the world and gravitate to the top. We are a talented bunch.

Unfortunately, Mr. Speaker, too many people who grew up in this province have found the best way to achieve those noble objectives is to leave this province, to leave Saskatchewan. The most common destination has been Alberta. And why Alberta, Mr. Speaker? The answers are abundantly clear. Like Saskatchewan they made a choice. Fifty years ago in the wake of the Great Depression and the dust bowl of the dirty thirties, like Saskatchewan they were feeling pretty low. About the only thing they could really count on was a deep-seated faith in religion and both chose to follow charismatic preachers. One province turned left, the other turned right.

Today, Mr. Speaker, the final chapter in the story of these two provinces has been completed. Alberta, Mr. Speaker, is thriving. Although it had fewer people and a smaller economy than Saskatchewan when both provinces embarked on the journey in the last 50 years. Alberta stands today with a population base three times ours. They not only caught up to us, they passed over us three times. And who, Mr. Speaker, presided over Saskatchewan's stagnant half-century — the members opposite and their predecessors in the CCF. And I found the comments very interesting during this debate about we shouldn't be referring to Alberta.

And I was particularly interested in the comments of the member from Regina Dewdney. We were talking about Alberta too much. Well I'd like to talk to the member about my

sister-in-law. My wife's youngest sister. She is close enough to my children they consider her their oldest sister. She was laid off from a job she had with a major grain handling company last fall. Where did she go to find a job? Alberta. She followed the last of my mother-in-law and father-in-law's children to Alberta. When she wanted to come back home she was given a recall date at her previous job. They couldn't honour it. It was this Monday because things were still uncertain. They couldn't honour it. They told her to come back more towards the end of the month. If there isn't a job there for her at the end of the month, she's going back to Alberta.

How can I not think about Alberta when I have three children that are constantly asking me where is auntie? Where is uncle? Can we visit them? When are they coming home? Constantly. And I would invite the member from Regina Dewdney to come back home to Porcupine Plain with me this weekend and explain to my children how they are supposed to stop thinking and talking about Alberta when everything and everybody they hold so near and dear and loves so much is in Alberta. Sometimes we have to be careful about what we ask for.

The experiment has led to stunted growth. It's led to out-migration. If all of the residents of Calgary who grew up in Saskatchewan were to come home, Mr. Speaker, it could create the third largest city in Saskatchewan. It's led to the deteriorating infrastructure and declining services. The loss of acute care services in the community of Carrot River is the NDP's gift to Saskatchewan.

Mr. Speaker, the NDP-CCF plan simply didn't work. It chased productive people out of this province. It led to one of the highest tax rates in the western world and declining service levels. Mr. Speaker, I am not surprised that the Minister of Finance, in the second paragraph of his budget address, said this is a time "for not looking back to what was, but ahead to what can be."

Indeed, Mr. Speaker, when he looks back over the NDP-CCF record of stunted economic and population growth, even this staunchly partisan minister concluded he had no choice but to concede failure. Little wonder he went on to say, "I say to the people of Saskatchewan that it is time to move forward." Looking back over 50 years of NDP-CCF management is not a pretty sight.

(2200)

And how has he chosen to move forward? By introducing a completely restructured income tax system. He has concluded that the Alberta model, the one that has attracted more than 100,000 Saskatchewan people to the city of Calgary, is working and the 50-year-old NDP-CCF legacy of tax and stifle has failed.

He has decided, Mr. Speaker, to reform the NDP-CCF tax system but the method he has chosen to deliver reform suggests he is still quite low on the learning curve. On one hand the minister proudly proclaims in every media interview that he can get that these tax changes mean that Saskatchewan will be competitive with Alberta in three years. In three years, Mr. Speaker.

He just doesn't get it. People in this province are making their choices today. My sister-in-law, Dianne, will be making her choice soon. They can't wait for three years to get competitive tax rates in Saskatchewan. Or they can move to Alberta today to get competitive tax rates.

For too long, Mr. Speaker, the NDP-CCF has advanced a philosophy that anyone who was tax sensitive has already left. Well that's bad public policy, Mr. Speaker. It's a philosophy that promotes negative attitudes and headlines. It fosters a belief that that we cannot succeed. It caused literally hundred of thousands of people to leave the province in search of a more positive environment. What a sad record of achievement for the NDP and their forebearers, the CCF. They claim ownership of caring but in reality all they achieved was to chase their own citizens away. This is not a badge of honour to be worn proudly, Mr. Speaker; it is the symbol of failure, a failed social experiment.

Perhaps, Mr. Speaker, in fairness, I should probably look something positive in all this. Well while that's a difficult assignment, I have managed to come up with one reason to congratulate the NDP. They have been a wonderful catalyst for economic growth. Unfortunately the economic development they generated occurred in Alberta, Manitoba, Ontario and around the world as they chased out our best, our brightest, and most productive.

On top of it, Mr. Speaker, in the face of the revelation that some of the highest income tax rates in the western world just might be a bad idea, the NDP had the audacity to contradict its own budgetary theme of lower taxes by raising sales tax revenues. The folks on the government side of the House may be nice people, Mr. Speaker, but they don't win awards for consistency. While acknowledging on one hand that exorbitant income taxes must be reduced, the minister and his colleagues, the very people who have masterminded the failed social experiment, fall back into their default position: back to the old and failed formula increasing tax levels as a mechanism for growth. Mr. Speaker, this strategy has failed for 50 years and will continue to fail. A higher tax is a higher tax is a higher tax. That this minister and his caucus colleagues would actually believe raising one tax today in order to lower another in three years is sensible is perhaps the most telling statement of all. Welcome to wonderland, Alice, is the only line missing from the budget address.

Saskatchewan, Mr. Speaker, is a province with huge potential. It has a vast and productive land base populated by innovative and hard working people. They don't want much, just a chance to let their initiative flourish, to assume responsibility to look after themselves, and to have enough left over at the end of the month to put a couple of bucks away for their old age.

They don't want the government reaching into one pocket to put some in the other pocket. They don't want to spend holidays travelling to Alberta to see their children and grandchildren. Instead, Mr. Speaker, they just want a chance — a chance to build better lives for themselves, to decide on their own if the acute care facility in their community should close, not to have some faceless bureaucrat in Regina impose that decision upon them.

This is not complicated stuff, Mr. Speaker. The people of this province just want to do well, to get ahead and not spend their lives fighting off the insidious hand of government at every turn.

Mr. Speaker, this Minister of Finance may slowly be beginning to catch on — ever so slowly — learning to listen to the people of the province, and to those of us on this side of the House, the party reflecting the largest share of the popular vote in the election. At last it appears he's heard the message. Income taxes are too high. Unfortunately he is a lone voice amongst the leisure suit crowd across the floor. The rest of those polyester retreats persist in pursuing the tired worn out philosophy that undermined this province for 50 years that government knows best and more government is even better.

I guess, Mr. Speaker, the minister did all he could. He's just one person. He gave it his best shot and, not surprisingly, he failed — didn't make the grade. The rest of them continue to sing from that worn out old NDP hymn sheet, once again proclaiming that old NDP adage: more government is better than less, that higher taxes today in exchange for a mere promise of cuts in three years is the NDP version of progress. And in the end, nothing really changes.

This minister spends months in consultation and then proudly proclaims he has found a new economic strategy. Then he rises in the Assembly to unveil his magical plan. What does he come up with? He announces that he has once again raised taxes.

The member from Kelvington-Wadena had it right earlier this evening when she said this minister must think he's Olive Oil's brother Wimpy, the cartoon character, as he proudly proclaims, for a tax grab today I'll gladly give you a reduction in three years.

Well, Mr. Speaker, Saskatchewan is not the cartoon world of Popeye and Olive Oil. It's a real place with real people who have real dreams and aspirations. All they want is the environment to turn those dreams and aspirations into reality through their own hard work, imagination, and innovation. They don't want government that grows larger and larger, draining their economic strength.

Mr. Minister, I commend you for realizing the course you and your predecessors charted for the last half century was wrong. I concur with your conclusion. It was and is wrong. Nonetheless, I cannot support this budget because, like your political test, your political philosophy, it fails to meet the reality test. On one hand you admit that taxes are too high. On the other hand you increase taxes. Maybe next year you'll get it, or if the people of Saskatchewan have their way, it will be a Saskatchewan Party minister of Finance with a vision for success instead of a legacy of out-migration, failing infrastructure and services, and a misguided social experiment at the public expense.

And, Mr. Speaker, at this point, as much as I know the members opposite would love to have me continue, I would like to move that we adjourn debate. Thank you.

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

Debate adjourned.

**BILL WITHDRAWN**

**Hon. Mr. Lingenfelter:** — Mr. Speaker, I move, seconded by the member for Regina Victoria:

That by leave of the Assembly, that the order for second reading of Bill No. 8, The Department of Post-Secondary Education and Skills Training Act be discharged and the said Bill be withdrawn.

I so move, seconded by the member for Regina Victoria.

Leave granted.

Motion agreed to.

The Assembly adjourned at 10:12 p.m.

