

EVENING SITTING

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

Mr. Addley: — With leave, Mr. Speaker, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Addley: — Thank you, Mr. Speaker. I'd like to introduce to you and through you to the House, in your gallery, Mr. Dan Palsich, who's a long-term family friend. He has known my family long before I was born which isn't really all that long considering that it appears that I'm . . . But he was a former principal in Paradise Hill and a long-time community activist, supporter of co-operatives and the credit union system and I hope everyone welcomes him here today.

Hon. Members: Hear, hear!

The Speaker: — Why is the member on his feet?

Hon. Mr. Sonntag: — With leave to introduce a guest as well.

Leave granted.

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. I as well with my colleague would like to welcome Dan here this evening. I get so few guests down from the far North that I'm going to take advantage of the opportunity. Dan, I as well have enjoyed working with you over the years and it's nice to have you here observing the proceedings this evening. So welcome as well.

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. Addley: — Thank you, Mr. Speaker. I am very eager to speak here this evening. It's a privilege to be part of this debate on this historic budget which delivers the biggest tax cut in Saskatchewan history . . .

Some Hon. Members: Hear, hear!

Mr. Addley: — . . . and the seventh consecutive year of budget surpluses that this government has provided.

However before I really begin, what concerns me in listening to the debates in the last few days is the misunderstanding that the opposition appears to have. I shouldn't need to give this lesson,

but as a new MLA (Member of the Legislative Assembly), I feel compelled to say this. Each of us, last September, was elected, really went through a job description, a job interview process, and we were hired by the public. And we were hired to manage the public's resources.

We were elected to work together to achieve that which cannot be achieved individually. The money that we're talking about is not the NDP (New Democratic Party) money; it's not the Liberal money; and it's not particularly what some people have called the Saskatchewan-Alberta party money — the SAP's. It's the public money, and that's what we're here to talk about today, is how we should be managing the resources of this province and the public's money. I didn't think I had to say that, but it seems from the debate that we've been hearing the last few days, it's important to do that.

The budget, this budget, is a great step towards continued prosperity. This plan for prosperity balances two very important principles; principles that I think are very important in any kind of line of work that you want to be involved with. The first is fiscal responsibility. As everybody knows, unless you balance your books, unless you have fiscal responsibility, unless you can afford the programs and the services that we want to provide, it's really no point in proceeding. You have to have . . . as a good Scot I know you have to balance the books.

However, money isn't the only thing. There has to be the other principle that's balanced with that, and that's social responsibility. And that's what this side of the House has, and it appears from the debate, which I'm sad to say doesn't seem to be found on the other side of the House.

Some Hon. Members: Hear, hear!

Mr. Addley: — Henry Ward Beecher, a 19th century American clergy, an abolitionist, an advocate for women's suffrage said, and I quote:

Expedients are for the hour; principles for the ages.

After hearing the Saskatchewan-Alberta party — so-called — speak about their plans of short-term, crass, politically expedient schemes written on the back of a napkin, tell them what they want to hear, damn the consequences, run up the debt, radical-right ideas, I'm very pleased to outline the alternative.

An Hon. Member: — All right, give. Let's do it.

Mr. Addley: — Although I do question a little bit the ability and the understanding of the SAPs across the way. Members on this side of the House quote 17th century political philosophers; 20th century First Nation education advocate, Wilfred Pelletier; 19th century American clergy opposed to slavery and in favour of women's rights to vote; and of course, from our honourable colleague, passages from the Bible which we all . . .

An Hon. Member: — And don't forget Tommy.

Mr. Addley: — Well I don't think we've quoted Tommy yet, but we'll never forget Tommy.

But who do the members opposite quote? Who do the members opposite quote? You know who they quote? Popeye. Popeye. That's the best they can do is Popeye. I don't get that.

Expedients are for the hour; principles for the ages.

We want to be here for the ages. We want what we say to be heard in the ages. We want to build a province that will stand up to the ages.

There are budget principles on page 2, Mr. Speaker, which I'd like to outline a little bit. And that's fiscal responsibility and good government. That's fiscal responsibility and good government. The second part, a sustainable, effective health care system. Third, economic growth and jobs. And fourth, tax reform.

The member from Rosthern chirps a little bit from his seat, but he doesn't understand the four principles. He hasn't got past the first one which is fiscal responsibility, which just happens to be the next point I'm going to be talking about.

Under fiscal responsibility, as opposed to the social responsibility which I'll talk about a little bit later, one of the key planks is economic development. Of course it takes the entrepreneurial spirit, taking risks, making profits, and using the capitalist system efficiently to generate wealth. No response from the opposition. But this government has provided the framework and the environment for that system to work efficiently and this budget takes another step down that road. Taxes. That's the second part of fiscal responsibility. After wide-ranging, transparent consultation listening to the people, we will now be competitive with Alberta on the tax side. Thankfully we won't be competitive with Alberta on the social side as I'll be outlining a little bit later — because they just can't meet Saskatchewan.

We have a level playing field. We've removed the impediments for growth and economic development. Finally we can afford to remove some of the draconian tax measures imposed by the purveyors of gloom and doom on the other side of this House. Some of these taxes are — which support the family — we will be implementing a basic personal tax credit of \$8,000, a spousal or equivalent tax credit of \$8,000, a new \$2,500 per child tax credit, and a \$1,000 senior supplement to the age credit. As well, an 11 per cent tax rate will be applied to taxable capital gains, to qualified farm property and small businesses. That's so those businesses that that side of the opposition is telling is going to Alberta to register in Alberta to pay the taxes there — the taxes will be the same rate in Saskatchewan.

As well as something that we've done that the federal PCs (Progressive Conservative) have not done, or the Liberals have just started to do, and that's inflation protection will be introduced once the tax system is fully implemented through the indexation of the provincial income tax brackets and personal tax brackets. Protecting Saskatchewan people, Mr. Speaker, as well the tax rates of 11 per cent on taxable incomes of \$35,000 or less; 13 per cent on taxable incomes between 35,000 and 100,000; and 15 per cent on income over \$100,000.

Some of the taxes that will be removed: the replacement of the basic Saskatchewan tax; the flat tax; the debt reduction tax;

surtax; the high-income surtax with the progressive three-rate tax structure; the continued exemption of most family essentials; and the introduction of the Saskatchewan sales tax credit which will allow low-income earners to pay less tax after the reform. Saskatchewan sales tax on families is still the lowest of all provinces which levy a sales tax, and is less than the health care premiums paid in Alberta and British Columbia by families earning \$50,000.

Some Hon. Members: Hear, hear!

Mr. Addley: — Just a comment, which I picked up my mail at supertime, and Alberta, according to the *Seniors' Voice*, April 2000, Alberta ranks among the provinces in per capita public expenditures the lowest. Health care premiums of \$68 per month, Mr. Speaker, or \$816 a year for a family. Of those health care premiums — and this is shameful, and this is what the people on the other side of the House are talking about — nearly one-quarter of Alberta's health care insurance-plan holders are behind on their payments. An estimated 120,000 accounts are in arrears. Collection agencies are chasing nearly 40 per cent of those bad accounts.

An Hon. Member: — Over health care.

Mr. Addley: — Over health care, a basic need that we offer in Saskatchewan, based on our tax system which is competitive with Alberta and that's the way you seem to want to go. That's not the great Alberta that we hear about here in Saskatchewan. Shame. Shame.

Well I guess to go on, compare that with Saskatchewan health care. Over 90 per cent of Saskatchewan residents who used the health care system in the past year said they were satisfied with the service — over 90 per cent, actually closer to 92 per cent. Nationally, 1.8 per cent of respondents said they were very dissatisfied. Only 1.4 per cent of Saskatchewan residents say they were dissatisfied with the health care system. Part of the reason for the result could be that people have come to expect the worst from health care systems because of all the negative things they've heard. When they get even average service, they're happier because their expectations are higher. So thank you very much in making sure these numbers are very good.

Education. I put education under the fiscal side of the equation, not the social side because I think that's really important in economic development. During the election when I was out knocking on doors, I heard from the people on the doorstep that said we should be funding institutions and we should be providing encouragement to students to graduate, to stay in Saskatchewan and work in Saskatchewan.

Therefore after a major consultation with the Minister of Education and the Minister of Post-Secondary Education, we are investing in K to 12 education, we are investing in post-secondary education, and in capital funding. As well, Mr. Speaker, we will be putting more money into special education, into community schools in the North, into pre-kindergarten programs and new distance learning. Capital funding to complete up to 115 new school projects this year. Increased operating funds for university, regional colleges, and SIAST (Saskatchewan Institute of Applied Science and Technology). Capital funding will be increased. Thorvaldson and kinesiology

buildings at the University of Saskatchewan, which I'm very proud to represent — which is in my riding — will be getting that money as well. Now that's commitment.

The Centenary Capital Fund — \$30 million a year for the next four years for \$120 million to address infrastructure needs. That money will go to municipal infrastructure, transportation, and environmental cleanup, post-secondary education capital projects, K to 12 capital projects, social housing, which is very important; as well as parks and heritage properties. Mr. Speaker, this is a government that's on the move, that's providing the infrastructure that's required for fiscal responsibility.

Highways, Highways — \$250 million a year, the largest budget in Saskatchewan history. That's what this government is committed to — well on its way to a billion dollars. Performance, performance.

Deficits and debts, part of more fiscal responsibility. When this government took over in '91, the share of GDP (gross domestic product) of the debt was 70 per cent in 1991 — 70 per cent. That's been reduced till today to 36 per cent and under this budget will be 31 per cent. However, I hate to say . . . (inaudible interjection) . . . Member here from Regina said where did that come from? The interest on that debt is still \$677 million, the hangover from the 1980s Tory debt.

I ask the members here: what could we do with \$677 million each and every year? I've got my list and I'd be interested in hearing your lists. But here's my short list. We could find \$300 million for farmers. We could double the Highway budget to \$500 million, and even with that we could still deliver a tax cut of \$127 million each and every year — \$127 million tax cut. That's with the Tory plan of running up debts in the 1980s. Saskatchewan people are still dealing with the hangover of the Tory Party in 1980s.

Another part of fiscal responsibility is the Fiscal Stabilization Fund, which replaces the liquor and gaming fund. That is a fund that is transparent. It's 5 per cent of the budget. It will be used as a cushion, used as a savings account, as an emergency fund for unforeseen difficulties.

(1915)

But do you know what that fund isn't going to be used for? That fund should not be used for bailing out the federal government from their responsibilities to fight the American and European treasuries, which is what the Sask Party on this side would have us do.

I have to say, Mr. Speaker, I'm very disappointed in December. I came here the first eight days of the legislature. We had a very historic coalition of agriculture groups from every part of this province. However, going back to that quote about expediency being for the day . . . expedience for the hour and principles for the ages, the SAP across the way broke with that coalition.

Why did they break with the coalition? Because they wanted some short-term political expedient gain. They got that gain. They had the people on the front. They had the people campaigning down in the restaurant. But where did that get us?

It didn't get us anywhere. It basically took the federal government off the hook, and that is not appropriate.

The last part about fiscal responsibility, and this is actually quite an important one, and that is political stability. Political stability is a very good part of this budget for fiscal responsibility. With this government, businesses can plan for the future. There's no hidden surprises. They know we're trustworthy. Our word is our bond. We have a proven track record of fiscal responsibility and political stability.

When the CCF (Co-operative Commonwealth Federation) worked with labour and with farm groups to form the New Democratic Party, it was a coming together of progressive voices, to again achieve together that which cannot be accomplished alone.

That was over 35 years ago, Mr. Speaker, that the New Democratic Party started. I am very proud to say that my father was one of the first NDP candidates while my mother was pregnant with me. I do recall some of those speeches, Mr. Speaker, but they were a little bit muffled.

Contrast that personal history with some of the members opposite. In the last four years, some members of the opposite have been members of up to six political parties — six political parties. Number one, the Saskatchewan Progressive Conservative Party.

An Hon. Member: — That's one.

Mr. Addley: — Two, the Saskatchewan Party.

An Hon. Member: — Two.

Mr. Addley: — The federal Progressive Conservative Party.

An Hon. Member: — Three.

Mr. Addley: — The Reform Party of Canada.

An Hon. Member: — Four.

Mr. Addley: — The Conservative Reform Alliance Party, C-CRAP.

An Hon. Member: — Five.

Mr. Addley: — Now the Canadian Reform Conservative Alliance Party.

An Hon. Member: — Six.

Mr. Addley: — And if Joe Clark wins his case in the court, you can add a seventh name change in the last four years . . . (inaudible interjection) . . . I didn't throw that one in.

Now when you think about Preston Manning and Joe Clark — and that's an alliance — and this side of the House talks about forced amalgamation.

I do have to say, turning a little bit to the federal side of politics, I didn't think anything would be possible for me to come to the

conclusion that Preston Manning is a moderate. I didn't think anything could happen for that. But after reading some of Stockwell Day's — and the member from Kindersley knows that individual quite well — after reading some of Stockwell Day's radical right comments, Preston is learning to look like a little bit of a moderate. And maybe for some of these people he is not right wing enough any more. We'll see. He's starting to look like the kinder, gentler Reform Party.

But anyway, back to the budget. Further on the topic of political stability, Mr. Speaker. Within my riding is a brand new subdivision that didn't exist before 1991. And that subdivision, Mr. Speaker, is called Arbor Creek. Now we can't take all of the credit because that new subdivision is largely the hard work and entrepreneurial spirit of individuals pursuing the Saskatchewan dream of prosperity.

However, it's also the framework and the environment and the stability — the political stability— provided by the Government of Saskatchewan and the government of Saskatoon. And that political stability to plan for the future, to invest in jobs, invest in growth, and see a realization on your investment, that's what this government is providing, that's what this government is committed to in the future.

Some Hon. Members: Hear, hear!

Mr. Addley: — Now as important as fiscal responsibility is, and as a good Scot I think it's very important, there's really no point — there's no point, Mr. Speaker, in having fiscal responsibility unless you can couple that with social responsibility. Social responsibility can mean a lot of different things to a lot of different people. But it can mean . . . what it means to me is this one fundamental point, and this is an important point. It's not leaving anyone behind in our society because there's no point in getting ahead if everybody doesn't get ahead. We've got to look after the weakest part in our society because that's what this country and this province is based on.

Some Hon. Members: Hear, hear!

Mr. Addley: — Contrast that with the members opposite. It is not a survival-of-the-fittest mentality, an everyone-for-themselves mentality. It's not leaving anyone behind.

Health care funding is a very important part of providing social responsibility. I touched a little earlier on some of the comments of how bad things really are in Alberta versus Saskatchewan. However, in Saskatchewan what we will be doing is the funding for health care will be increased and will now make up about 40 per cent of the budget, a 5 per cent increase of anywhere between 63 million over last year or 113 million over last year's budget, however you want to account for it. As well, in addition to that, will be a \$150 million transition fund for the upcoming transitional improvements to the delivery of health care.

Now the members opposite will be very concerned and will want to do a little bit of scaremongering, but it's related to what Minister Rock, the federal Health minister's talking about. Providing home care and new ways of delivering health care and providing efficiency in the system, but ensuring that

everybody is served with health care without having the tax collector, without having the collections agency chasing you down like you have in Alberta.

Low-income residents are protected. That's another aspect of social responsibility — \$285,000 people will be qualifying for the sales tax credit, I'm told; 55,000 people will be removed from the tax rolls — 55,000 people.

Aboriginal people, we've talked a little bit about that in the last little while. We need to respect the treaty rights. There's a fundamental difference between the way that the people who came to Canada and met the people who were here versus the way the immigrants from Europe and others came to the Americans . . . to the United States and tried to force their way into that country.

There was some talk about the violence that took place in the States for when, they call it settling of the United States, whereas in Canada we took a more compromising way. We signed treaties, treaties which, by the way, are agreements between two groups of people — the people that were already here, the First Nations people, versus those that came to Canada.

We need to respect those treaty rights — agreements between the First Nations people who were already here and the immigrants who wanted to share this land. Obligations and responsibilities go hand in hand with rights and privileges. And we need to respect that principle and re-establish that principle and respect that principle in this House and when we will be outside this House.

Some Hon. Members: Hear, hear!

Mr. Addley: — And I could go a little bit on, on the affirmative action program but that is stretching it from the budget but I'd be willing to share those views at a later date.

The taxes paid off-reserve will be less than the amount of the benefit of not paying taxes on-reserve. Aboriginal First Nations people will be eligible for the sales tax credit. And this is something that is beginning to be highlighted by some individuals in Saskatchewan, and that is the economic development on reserves that will be encouraged with this aspect.

I come from northwestern Saskatchewan. And with this change, on-reserve businesses, on-reserve economic development, will occur. And people have said, well we've got to be concerned about this because it will put people in rural Saskatchewan, in the communities that are non-Aboriginal, out of work and have strains on their business.

However I see this as an opportunity — an opportunity to develop some treaties today. Treaties that are just a fancy way of saying agreements of living together into the future. In fact I can see . . . We've talked about a former member in this House who actually ran a resort town that was owned by the Aboriginal people and there was a good working relationship with that individual. They found an expertise in this person and I'm talking about Gordon McNeill who we talked about in December.

We can expect working together in rural Saskatchewan with Aboriginal First Nations people and non-Indian people, and this will actually go a long way to making Saskatchewan a better place.

There will be no PST (provincial sales tax) on essentials, no PST on food, no PST on shelter, no PST on utilities, no PST on restaurant meals, no PST on children's clothing. In fact the PST has the narrowest band of taxed goods in all of Canada which has a sales tax.

As well, there's no medicare premium of \$816 a family or \$408 a person. It's terrible.

An Hon. Member: — Where do you find that?

Mr. Addley: — In Alberta. We have one of the lowest unemployment rates in all of Canada. In today's *Leader-Post* it's quoted impressive job growth in January of over 4,000 new jobs, even with the difficulties that is facing agriculture and farm families today.

Some of the exemptions that won't be taxed: children's clothing and foot gear, footwear; prescription drugs; electricity; farm machinery and repairs; fertilizer, pesticide, and seed; food — basic groceries, restaurant meals, and staff food; natural gas; reading materials; services; used goods with some exemptions; toll free telephone numbers; and the list goes on and on, Mr. Speaker.

We hear more and more, Mr. Speaker, about how wonderful life is in Alberta. In the budget it shows how much will be charged or what the living expenses in Alberta versus Saskatchewan. In Saskatoon, the city that I call home now an average single person earning \$25,000 total income — \$9,135 versus \$11,500. It is \$2,367 more expensive to live in Calgary versus Saskatoon for that individual.

What about a family of four earning \$50,000? A difference of \$2,581 more expensive to live in Alberta.

An Hon. Member: — That's a lot of money.

Mr. Addley: — That's a lot of money. You can buy a lot of fishing licences with that.

For a family of four at \$75,000, the numbers goes to \$1,652. It's not better in Alberta, Mr. Speaker.

More on the social responsibility aspect, Mr. Speaker. In today's . . . what is the name of this Conrad Black paper? The *National Post*, I think . . . *National Post*.

. . . the province's health-care privatization proposal in Alberta could lead to a two-tier system. (That's a quote.) . . . there is no evidence showing the proposed private "surgical facilities" are more cost-efficient . . . the broad conclusion is that for-profit hospitals are not more cost efficient than not-for-profit hospitals, and that the cost to purchasers are higher.

This is an Alberta health document dated March 2000. And it's provided by the Institute of Health, Economics an independent

research agency.

Things aren't better with private health care. Things aren't better with the Alberta system. And there is no tax . . . and there is no collection agencies here as well.

I wonder if anybody remembers this quote, "There's so much more we can be." That was a rallying cry in 1982. "There's so much more we can be." Yes, we had Saskatchewan's economy growing. Yes, we had the prescription drug plan. Yes, we had a school based dental program. Yes, we had very low unemployment rates. Yes, we had balanced budgets. All positive news.

(1930)

But you know, Mr. Speaker, in 1982 there was so much more we could be. In 1982, we had our affair with the radical right. And we're still paying for that party with the hangover of debts and reduced programs. We're slowly paying it off but we've also learned a very hard and bitter lesson, and that's that the grass is not always greener on the other side.

The way up is not the way to Alberta. Saskatchewan, as the United Nations has said, is the number one country in the world in which to live. Saskatchewan's the number one country — number one province and the number one country in the world to live. That's what the United Nations said.

We were the first province in Canada to balance the books. We've had seven years of balanced budgets. We're the only province to reduce child poverty. We've reduced it by 8 per cent. But there's much more left to do — 8 per cent is not enough. We've got to go further. With this plan of the budget, we're building Saskatchewan; we're building a plan for prosperity.

Now, Mr. Speaker, some of the members opposite like to concentrate on certain areas of the budget which is a tax increase, and they seem to say, well a tax increase so it's a tax increase. But if you look at it from a total perspective, as a total package, this year there will be a \$40 million . . . actually in excess of a \$40 million tax cut, rising to \$260 million in three years.

Some of the analogies the members opposite have talked about is taking . . . putting money in one pocket and taking it out the other. Actually let's go with that analogy a little bit, and it's a little bit rough. It's like putting \$5 in this pocket and taking \$2 out of that pocket — you're still left with \$3.

Now I see some vacant stares. Maybe it's not quite simple enough, but that's basically what it is. It's not quite \$3 but it's \$260 million. Now the member from Kindersley talks and yelps, but I have to say this: those who live in stone-age, stone houses shouldn't throw glasses.

Mr. Speaker, I'm just getting warmed up. The quote I started with was: "expedients are for the hour; principles for the ages". Now I won't go on for the full hour but I will indicate that principles are more important than expedients, and we need to concentrate on that in this House constantly.

Fiscal responsibility. It's important. We have a proven track record. But just as important — actually more important than fiscal responsibility — is social responsibility. And in this budget and in this plan we have seen that. We have a balanced plan, we have a realistic plan, we have permanent improvements in the tax system in spending based on reality, not based on empty promises based on rhetoric.

We're building Saskatchewan, Mr. Speaker. We have a plan for prosperity, a plan for growth and opportunity, and we do not believe in leaving anyone behind in our society.

We're on the right track, Mr. Speaker. We're on the right track. That is why I will be voting for the budget and against the amendment. Thank you much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hart: — Thank you, Mr. Speaker. It gives me pleasure to stand in this House and reply to the motion before the House.

When you look at the government's news release the headlines on the news release is "Historic Tax Cut." And we've heard a lot about this historic tax cut. In fact, the member that just finished speaking talked about the historic tax cut. And on first glance on budget day when I first looked at the budget it kind of reminded me of going to an auction sale and looking at a vehicle that had been just freshly painted. From a distance and at first glance it didn't look just too bad until you got a little closer. And then you started noticing some of the defects in the vehicle. There's the odd dint here, the door doesn't close, the upholstery is torn. Then when you go to start it up you notice the black oily smoke coming out of the exhaust pipe and you realize what it actually is.

This is I think a comparison we can use for this budget that was presented last week. On first glance there was some things that may have looked good to the citizens of the province, but when they looked at it more closely they saw it for what it is. It's nothing but a tax grab disguised as a tax cut.

On budget day, this being my first budget day in the House, I found it rather interesting with the media scrums outside, with the stakeholders in the province representing various groups and that sort of thing, and reading the press coverage, watching the coverage on TV, and all those sorts of things. And of particular interest that caught my attention was the comments made by one of our noted political scientists at one of our universities. This person was asked the question: who did this person think influenced the budget the most. Was it the Liberal party or the NDP? Whose influence was most evident in the budget?

And it was quite interesting to hear this person's reply. This person replied that it was actually the Saskatchewan Party's influence that was most evident in some phases of the budget. The good parts. The lower taxes, the token help to the family farm, the farm families and the removal of the gas rebate cap, the small rebate on education tax on property. Those are some of the things that the analyst said were the good points that were reflected in the budget that came directly from the Saskatchewan Party. Not the NDP or the Liberals.

Now we heard a lot about these tax cuts. Tax cuts that are going to be coming down the road. Most of them are going to start taking place. The cuts are going to start taking place in the year 2001. So what type of a tax cut are we going to see in this current taxation year? Well I'll tell you what it is. It's one-half of one per cent of the flat tax. That's the extent of the tax cut. So what does that mean? To a family, a combined income of \$50,000 with two children, they have a tax saving of \$250. That's what it means.

But just a minute. These people, they talk about tax cuts, but on one hand they give you some money in your pocket; the other hand they're taking a whole lot more out. What have they done? They've expanded the PST. By their own Department of Finance charts and figures they say that this very same family, a two-income family earning \$50,000 with two children, will have to spend at least \$170 more per year in extra PST. So that leaves them a grand total of \$80 net in their pockets. But they're not done yet. We just recently had an increase in telephone rates, so if you factor that increase in, that takes another \$40 out of their pockets. So now they're down to \$40. But there's also another cost or increased cost which could be used as a tax increase because what does this party do? They take the profits from the Crown corporations and put them into General Revenue Fund, and . . . (inaudible interjection) . . . Exactly. So it leaves them \$40 to pay for the increased SaskEnergy costs and to buy a coyote licence.

Now this reminds me . . . when this government talks about tax cuts and then bring in tax increases, it reminds me of a commercial that was on TV many years ago. And some of the younger members in the House may not remember the commercial, but the commercial had to do for . . . with canned luncheon meats. It was in cartoon form. You had the can of luncheon meat and you had a cow, and the dialogue went something like this. The cow said to the can, say moo. And the can would reply, oink. So the cow said to the can again, say moo. And the can would reply and say oink. And the cow finally looked at the can and said, why can't you say moo? And the can says, it's not in me.

And that's what's in this government. It's just not in them to give tax . . . to lower taxes.

Some Hon. Members: Hear, hear!

Mr. Hart: — They disguise tax cuts by tax increases.

Now what were some of the budget reactions . . . reactions to the budget? Well we've heard members from this side point out some of the real reactions, and one of the reactions from SSTA (Saskatchewan School Trustees Association) as we read in today's *StarPhoenix* — they were very, very concerned about the increased funding. There's nowhere near enough to look after their increased costs.

The Saskatoon Public School Board is talking about a 3.2 per cent mill rate increase. The RMs (rural municipality). If you look at the budgets for RMs, the police cost restructuring assistance — last year it was \$4,109,000; this year what have they got — zap, it's gone — nothing, zero, zap. We hear a lot about zap, you're frozen. Now we have zap, you're gone, it's gone.

Now how does this translate into real costs, additional costs for an RM? One of the RMs in my constituency provided me with some of their real figures and real additional costs that they'll be looking at.

In 1999, their policing costs grant, costs were \$8,990. They received a grant to offset that of \$8,640 — left them with a net cost of \$350. This year, because of the zap, you're gone in effect, they're looking at the total cost of policing of \$8,990. That's if the policing costs stay the same, and there's no guarantee that that cost will stay the same. In fact, it's very likely that those costs will rise due to the increased fuel costs which this government won't do anything about.

Now we hear about the increased funding for more police officers. We heard about the campaign promises of an additional 200 officers. We have a bit of an increase, most of that going to the cities. We understand that very little, if any, additional police officers will be assigned to rural Saskatchewan.

We hear about court house closings. I wonder what this government has to say to communities like . . . communities in my constituency, particularly the community of Lestock who was recently had a real problem with break-ins, vehicle thefts, seniors are afraid to leave their homes at night. Now it's even getting to the point where they're afraid to leave their homes during the day.

What a difference one additional RCMP (Royal Canadian Mounted Police) officer living in that community would make. They've written to, they've phoned, the Minister of Justice's office. They've written to him asking for some additional policing. What do we get? Zap — nothing.

I'd like to turn my comments to agriculture. Last December in this House, the Saskatchewan Party proposed a package that would help farm families. We called upon the government to take \$300 million out of their liquor and gaming fund, their slush fund. They say no, we can't do it, we can't afford it; it's going to bankrupt the province. It's going to cost every man, woman, and child in this province an additional \$300 in taxes.

In February what we said to the government is take the \$300 million, put it on the table, and leave with a bunch more federal money. But they wouldn't hear any of that.

Finally in February, after demonstrations at the legislature, people sleeping in the cafeteria — many of them from my constituency of Last Mountain-Touchwood — they finally said "uncle" and, hat in hand, the Premier went off down to Ottawa and says well, I can put \$80 million on the table. And with that, the federal government said they'd put 180 and we got \$260 million which, when it's all worked through the payout system, we end up with a maximum payout to help farm families of \$9,000 per farm, at a maximum.

Now fast forward to March 29, budget day. And to our surprise, what do we see in liquor and gaming? Not \$350 million as we were led to believe, but 700 million — double.

Now if . . . just think now. If this government would have done as we had suggested, taken that \$300 million, put it on the table,

and said to Ottawa, here's our 40 per cent, you put up your 60 per cent, that would have translated into \$750 million, which would have meant a maximum payout using current formula of somewhere in the neighbourhood of \$25,000.

Now that would have been some real money. That would have been a real investment in Saskatchewan, in Saskatchewan agriculture. It would have helped farm families. But no, we'd sooner keep that and put it in a slush fund.

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

Hon. Mr. Hagel: — Mr. Speaker, I rise to request leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Hagel: — Thank you very much, Mr. Speaker. I want to thank the members for leave, in particular the hon. member for Last Mountain-Touchwood for enabling me to make an introduction.

Mr. Speaker, I have cast my glance northward and spot in your gallery, four Moose Javians, and I'd like to introduce them to you and to the members of the House, Mr. Speaker.

Seated on both sides of my good friend and former member of the House, Lorne Calvert, are Gerhard and Dicky Scholten of Moose Jaw and accompanying them as well is Herman Hilgeman. These folks are here this evening, Mr. Speaker, to take a tour of the building. I understand that they were by my office, and I apologize for not being able to meet them while they were there. They are taking some time to sit in the proceedings. These are people who take great interest in the parliamentary proceedings of our province, Mr. Speaker, and I ask all our members to show them welcome to the House here.

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. Hart: — Thank you, Mr. Speaker. Now as critic for Post-Secondary Education I would like to pass along some comments with regards to the budget, this budget as it pertains to students in post-secondary education.

During last summer's election campaign both the parties opposite, both the NDP and the Liberals, made some fairly lofty promises to students. They said they were going to come to the aid of our students, particularly in accessing post-secondary

education . . . (inaudible interjection) . . . In a minute you'll hear what this party had to say. The NDP promised free tuition for one year — that at a cost of \$20 million a year. The Liberals, not to be undone, promised a thousand dollars per year per student for four years — \$30 million per year.

As a result of the election, both parties realized that their promises were somewhat off the mark so they embarked last January on a series of public hearings to meet with the public and to get feedback from the public. So what did they hear at this meeting, at those public consultations?

I attended over half of those meetings and many times both ministers of Education were told that their election promises were off base and they should be looking at tax credits after graduation. Rather than giving money upfront, they said let the students go through their education, help them with student loans, give them some tax-free period after they graduate so they can get a job, and then start paying down their loan. Well we know that that . . . they didn't . . . both ministers didn't hear that because today we find out that that period of interest-free period was zap, gone in the budget, zapped out.

So what did they come down with? Finally after all this consultation they came down with a one-time \$350 tax credit — one time — at a cost of \$3 million annually, a far cry from the 20 and \$30 million annual cost that they were talking about in the election.

Now, where did they get that idea from? Well of course the people told them during the hearings, and that sounded vaguely familiar to something that we heard during the Manitoba election when the Manitoba Tories suggested that they give a \$1,000 tax credit for four years for those students that came to work in Manitoba. Now again these people they get an idea to do something which is probably the right idea except they seem somehow to fumble the ball when they try to implement these things.

Three hundred and fifty dollar tax credit. I asked several students that are graduating, after the budget: is this going to be incentive for you to stay in the province, and they said, not likely. They said . . . and, in fact, they weren't aware that their six-month interest-free period was no longer in effect. So I would suggest that most students will lose more in that six months where now they have to pay interest on their student loans, than that \$350 tax credit.

So the members opposite ask, what did the Saskatchewan Party promise students? We didn't make any false promises to them. They knew exactly where they would stand with the Saskatchewan Party.

Other things that we find when we look more closely at the budget as we found out yesterday, partnerships program that helped provide summer jobs for students — zap, it's gone. It's not frozen. Zap. It's gone.

The millennium scholarship. This program . . . now this wasn't in the budget, but it has to do with students and post-secondary education. What does this government do? Not like Manitoba where the students get the millennium scholarship, and they also get the provincial bursaries. Oh no, this government can't

stand to see people have some extra money. So what do they do? A student receives a millennium scholarship. This government backs the provincial bursary off. The student is no better off than before the millennium scholarship. Who is the winner in this case? This NDP government. Those are the only winners in this case.

We've heard very little from this government of what this budget has done for seniors, and it's not without reason because it hasn't done a thing. In fact, it's added to their cost of living. The expanded . . . What has this budget done? Expanded the PST to things like non-prescription drugs, repair services, professional fees. All services and items that seniors use.

They've also hiked the telephone rates. They say, well it's only on your local service. Well seniors you'll find make fewer long distance phone calls than the rest of us and the largest portion of their telephone bill is the monthly service fee.

Also they've added . . . to that they've increased the energy rate. Seniors generally use more heat in their homes because as you get older they tell me that you need the home to be warmer. So this hike in SaskEnergy rate, who's it going to hurt? Seniors.

Another thing that has caused seniors concern is this proposed amalgamation of municipalities. Seniors living in rural Saskatchewan feel . . . You often ask yourself, why do they stay in the small towns and hamlets when sometimes there aren't that many services. They have to get someone to drive them to the neighbouring town to go to the doctor, to the hospital, to the druggist, and so on. One of the reasons they stay there is because they know everybody. And they know the mayor of the village, they know the councillors. If they have a problem they can meet them on the street and ask for their help. They can telephone them. They feel very secure. Now with these proposed amalgamations they really have them worried. They're worried about having their centre of government 40, 50 miles down the road, people that they don't know, they're not familiar with and they're very concerned.

In conclusion, Mr. Deputy Speaker, I'd like to talk about this historic tax cut that we've heard about. As I mentioned earlier, it's historic because it isn't here. It's promised down the road sometime in 2003; several budgets to go before we get there . . . The member hollers from his seat, July 1. One-half of one per cent; one-half of one per cent tax relief. The member from North Battleford mentions July 1. One-half of one per cent. So what does this government do with their tax cuts and tax increases? They give you a dollar and they take two with the other hand.

So in closing, Mr. Speaker, I would like to say that I'll be voting against the motion and voting for the amendment. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Well thank you very much, Mr. Speaker, and hon. members. It is my pleasure to enter into debate on this historic, tax cutting budget for the year of 2000-2001.

And, Mr. Speaker, what I want to make very, very clear as I begin my remarks is that I stand very, very firmly in support of

the motion before us, as a strong supporter of this budget which is a budget that is targeted, Mr. Speaker, for the future — a budget that is targeted to build for Saskatchewan the opportunity and growth that we deserve for our people in our province of Saskatchewan in the new century and in the new millennium.

Now, Mr. Speaker, I listened very, very carefully to the remarks of the hon. member for Last Mountain-Touchwood who serves in this Assembly as the critic for Post-Secondary Education and Skills Training. And I want to acknowledge and commend the fact that he attended a good number of the consultation meetings that we had around the province in January. And I want to commend his professional commitment in doing that.

I noted, Mr. Speaker, that he said that he heard, as I did, many people at those public meetings say that they wanted to see their tax dollars used to be in support of students, and that they supported directing assistance of students towards the end of their academic career. And in fact, many spoke in favour of the question that the Vicq report, Mr. Speaker, had asked us to consider; and that's whether there should be introduced for the first time in Canada, Mr. Speaker, here in our province, a tax credit for graduates.

We heard that said, Mr. Speaker, and as the member for Last Mountain-Touchwood would acknowledge, he heard the Minister of Finance refer to that on Wednesday of last week as we introduced, here in the province, Canada's first graduate tax credit.

Now, Mr. Speaker, I noted with interest — I noted with interest, Mr. Speaker, that the hon. member said that there were two parties in the election that made post-secondary education a priority. And he correctly identified them as these two parties on this side of the House when we had the debates in the last election, Mr. Speaker.

Now both of these parties, Mr. Speaker, acknowledged that the proposals as to how to best support the access to post-secondary education were not well received, Mr. Speaker, and determined, determined to act in a way that would be consistent with the, with the wishes of Saskatchewan people.

Now, what I find, what I find interesting, Mr. Speaker, as I listen to the other side — because I hear now rumblings; the hounds are baying a tad here, Mr. Speaker. When I listened — I listened very carefully — he said, he said the Sask Party had something to say in the election about post-secondary education, and he said the Sask Party made no false promises, and he said that he was going to detail what the Sask Party said about post-secondary education, Mr. Speaker. And what did he say after he said that?

An Hon. Member: — What?

Hon. Mr. Hagel: — Nothing. Nothing. He repeated in his speech exactly what the Saskatchewan Party said in the election, Mr. Speaker — nothing. They sat on their tongues throughout that election when it came to post-secondary education, Mr. Speaker. And the hon. member acknowledges that there are two parties in this Assembly who support quality access to post-secondary education, and they sit here in

government. And post-secondary education is a priority for the people of Saskatchewan and a priority for their government.

Well, Mr. Speaker, he will also criticize — and I'll come back to these in my remarks — he will criticize some priority decisions. He will note, Mr. Speaker, that as we had the public hearings and the people said very, very carefully, they said they expect the Minister of Post-Secondary Education and Skills Training and their government to spend their taxes wisely.

Now this is a foreign concept to the Saskatchewan Party. This is a foreign concept, Mr. Speaker, because when it comes to prudent management of the taxpayers' dollars, Mr. Speaker, we don't, we don't hear any restraint. All we hear coming from the other side, Mr. Speaker, is take the taxes down, put the spending up, never mind the amounts — it's back to the 1980s and Grant Devine all over again, Mr. Speaker. It sounds a tad familiar, and it is lacking — lacking — in fiscal prudence, Mr. Speaker.

Well I find it interesting that when, that when a member of the government would stand and talk about exercising fiscal prudence, that somehow the members of the opposition would find that offensive. Just listen, just listen, just listen. Do we hear the objections to fiscal prudence, Mr. Speaker? All you have to do, all you have to do is just, just listen to the opposition.

Well, Mr. Speaker, I'm not here to talk about the opposition — I am here to talk about a positive plan for the people of Saskatchewan. I am here to speak in support of our government.

(2000)

And the first thing I want to acknowledge, Mr. Speaker, is that this government said post-secondary is a priority. It says that in its budget. It said that at a time when inflation is running a little bit less than 2 per cent, by increasing the funding for post-secondary education by \$27 million — about 5.6 or 5.7 per cent, Mr. Speaker. Mr. Speaker, this government said loud and clear in this budget on Wednesday that post-secondary education is a priority for us.

Now, Mr. Speaker, I say that because we are well aware that here in Saskatchewan when it comes to post-secondary education, we are in the future business — that is what this is all about. We're in the future business. And it is the responsibility in my judgment, Mr. Speaker, that the Department of Post-Secondary Education has a responsibility to take those hard-earned Saskatchewan taxpayer dollars and spend them as prudently as we can in the interest of our students and in the interest of our province. Mr. Speaker, that's what it's all about.

It's about taking those resources, making priority decisions — sometimes difficult decisions but that's what they expect of responsible politicians — and spending the money as effectively as we can to enhance the opportunities for training for our citizens to make decisions about their own training and their own knowledge and their own qualifications, to shape their own futures. And, Mr. Speaker, to balance that with the needs of our province and to work in concert with the Minister of Economic and Co-operative Development so that we provide the training support for our economic development strategies to

ensure that we do the best job we can of providing Saskatchewan opportunity for Saskatchewan training for Saskatchewan jobs. That's a future-oriented activity, and that is what the people of Saskatchewan have a right to expect of their government, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — But before I get into some detail on the post-secondary field, Mr. Speaker, I just want to acknowledge the significance of the tax adjustments that took place and were announced and introduced in this session. Now I find, Mr. Speaker, very interesting that the hon. members opposite, the hon. members opposite will say that there is no tax break in this budget. Mr. Speaker, nothing could be further from the truth. Nothing could be further from the truth . . . (inaudible interjection) . . . Well the hon. member shouts from his seat, nothing today. Has the hon. member ever heard about forward-looking and future planning? This too is a foreign concept, it would seem. This too is a foreign concept, it would seem, Mr. Speaker, coming from the Saskatchewan Party.

Mr. Speaker, I want to point out that in this budget what was introduced is changes in our tax system that followed four important principles to the members of this government when making decisions about how we change the tax system. And, Mr. Speaker, the tax system is changing — mark our words — and it's there for all to see. But there are four principles that were put into play.

Mr. Speaker, point number one: we said when going to a tax system it's important in order for it to be fair, that it has to be a progressive tax system. Simply put, those who have the greater ability to pay will pay a larger percentage of their taxes. And with the system that is implemented, Mr. Speaker, come January 1 of next year, there will be a progressive tax system which, when it reaches its conclusion, will provide for tax on income of 11 per cent up to \$35,000, of 13 per cent from 35 to \$100,000, and for those with over \$100,000, taxation at 15 per cent. Mr. Speaker, that's progressive taxation.

We also said, Mr. Speaker, that when you're introducing tax changes and introducing tax cuts, that as a matter of fact, the tax reductions must come from new monies. And, Mr. Speaker, I think all of the hon. members will recognize, even on that side, that when they look at the tax reductions — not this year but next year and the year after and the year after — it's called forward planning, it's called forward looking, it's called building an economy, Mr. Speaker. They will recognize that all of those tax reductions are more than funded from new funds that come into the coffers of the province of Saskatchewan.

Number three, Mr. Speaker, number three. The principle was accepted by the government that when you're making tax reductions it is only fair that it be done in a balanced kind of way, and that in fact there must be at least more spending, at least as much if not more, spending on program enhancement than on tax reductions. Contrary to our friends in the federal government, Mr. Speaker, and contrary — contrary — to the theories proposed by the hon. members opposite, Mr. Speaker.

Our federal government brought in a budget. What did it offer the people of Saskatchewan a month ago, Mr. Speaker? It said it

offered \$58 billion in tax cuts. And what did it say it offered for health and for post-secondary education, Mr. Speaker? It said it offered \$2.5 billion over four years.

Mr. Speaker, I contrast this with the approach of this government. Members opposite will acknowledge when they look in the budget books and add up the figures that there is a reduction in tax revenues being received this year, Mr. Speaker, in excess of \$43 million — a tax reduction in excess of \$43 million.

But when they look at the increase in spending, Mr. Speaker, including for post-secondary education, Mr. Speaker, in post-secondary education alone, funding has been increased by \$27 million.

And so there is a balance, Mr. Speaker. Not only in post-secondary education, but in education and health and social programs, Mr. Speaker, and highways and so on.

And fourthly, Mr. Speaker, we said there was a principle that was extremely important to all of us. We said that when you're making tax changes, the tax changes must leave people better off, but most critically they must leave those who have the least amount of income in a better position than they were before.

That was an important principle, Mr. Speaker. And, Mr. Speaker, when I looked at this budget and I look at the implications and I look at the fact that what came into effect on Wednesday night of last week was a sales tax rebate which will go, Mr. Speaker, to some 285,000 Saskatchewan people. When I look at the fact that some 55,000 Saskatchewan people who were currently paying Saskatchewan income tax are being removed entirely from the Saskatchewan income tax rolls, Mr. Speaker, I say with a great deal of pride: this is a budget; these are tax changes that will be progressive; they will be balanced; and they will be sustainable; and they will be fair; and particularly they will leave those with lowest incomes better off. Those are the principles and that's what's happening in this budget, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, when I look at the budget I want to recall the words of the Minister of Finance, who talked about the vision for the future of Saskatchewan, and to quote what he said, he referred to Saskatchewan as a place where, and I quote:

where our young people find real opportunities to develop their talents to contribute to and benefit from a dynamic, growing economy.

And, Mr. Speaker, that is what this budget positions the people of Saskatchewan to do and to experience.

We'll all recognize, Mr. Speaker, that we are, here in Saskatchewan and across the country, moving increasingly into a knowledge-based world and knowledge-based economy. And in that place it is important that we dedicate the necessary resources and we spend them wisely, and we prioritize to do that when looking at post-secondary education.

And, Mr. Speaker, in this budget, for post-secondary education, we saw increased operating funds for our universities and SIAST and regional colleges and Aboriginal institutions. Mr. Speaker, an increase of 4 per cent in funding to all of our institutions to keep tuition increases in check and to enable them to concentrate on excellence and expansion of programs — an additional expenditure, Mr. Speaker, in excess of \$10.3 million.

Mr. Speaker, we saw in this budget capital funding for key projects increasing. We saw in this budget, Mr. Speaker, greater capacity for training nurses to meet the emerging labour market needs of Saskatchewan. We saw in this budget, Mr. Speaker, additional funds to bridge . . . to bring the campus to the people.

Mr. Speaker, when I went around the province of Saskatchewan I listened to people and they said, what's the reality of making post-secondary education accessible; they said the tuitions that our students pay, that's a factor.

But when I get outside of Regina and Saskatoon they said a much greater factor than that is the cost of living away from home. That's the reality. That's the reality. That's the greater detriment . . . or deterrent to being able to get access to post-secondary education. And they said they wanted us to look at different ways, at better ways of bringing the campus to the student.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, people in rural and northern Saskatchewan have a deep appreciation for the work of the regional colleges and for the use of SCN (Saskatchewan Communications Network) as a vehicle to bring the campus to the student. And they asked to look at additional ways of doing that.

And, Mr. Speaker, I'm proud to say that in this budget there is an increase in the funding for technology enhanced learning of \$1.4 million, taking it to a budget this year of \$1.65 million, Mr. Speaker, to increase our ability to bring the campus to the students in rural and northern Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, when we went around Saskatchewan, people said don't try and fix little problems with big solutions. But when you see a problem in terms of access to post-secondary, put your finger on it and address it directly. And I'm proud to say, Mr. Speaker, that we were able to in this budget to increase the access to post-secondary education for people with disabilities.

Mr. Speaker, there is in existence the employability assistance for persons with disability. It is intended, Mr. Speaker, to give access to post-secondary education, access to the labour market and transition. In this budget, Mr. Speaker, I am proud to say that we increased the budget for EAPD (employability assistance for people with disabilities) by a million dollars from 4 to 5, an increase of 25 per cent, to enhance the access of disabled people to post-secondary education in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, one of the things that the Minister of Economic and Co-operative Development has talked about with her strategy for the economy that will be released later entitled progress for prosperity, Mr. Speaker, but has also identified earlier is the significance in terms of potential of expansion of our forestry industry here in Saskatchewan. Mr. Speaker, it should ought not to be overlooked. That what was dedicated to enhance the training of people in northern Saskatchewan to take northern jobs in the forestry industry. Mr. Speaker, I am proud to say that the forestry industry will have dedicated from this provincial government an additional \$1 million in this budget, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, there is another category of educational institutions that I want to draw attention to just briefly and then to put it into a context. And that's our Aboriginal institutions, Mr. Speaker, who do an excellent job of training people of First Nations and Metis ancestry and others, Mr. Speaker, in acquiring their post-secondary credentials.

Now, Mr. Speaker, members may acknowledge that about three weeks ago I released, and my department released, a labour market trends forecast. And what it said, Mr. Speaker, was when we look at what's going on in Canada and in Saskatchewan today and in the labour market is that the world is about to change. It's about to change here in Saskatchewan as it is across the nation, Mr. Speaker. What's the reality? The reality is, Mr. Speaker, is that the baby boomers are starting to retire. That's true in Canada. It's equally true in Saskatchewan. In fact it's a little more true in Saskatchewan because our average age in our province is slightly higher than the national average and the baby boom retirement is hitting here a little sooner.

And we forecast, Mr. Speaker, that in about 2008 there will be a critical tightening of the labour market, and we're moving in that direction all the time to this decade. The world is about to change. In the '80s and the '90s, for many the reality was they got training and then you look for work and it was difficult to find. Why? Because in our economy many of those baby boomers were well established and they were at the top of many organizations and they weren't moving. Mr. Speaker, now they're moving on. And what this means is that through this first decade of the new century, Mr. Speaker, is that there will be a tightening of the labour market, and it'll become increasingly difficult for employers to find employees. The attitudes are going to shift.

But, Mr. Speaker, Saskatchewan has one great advantage over the rest of the nation. And that's that in our nation we have, behind this retirement of the baby boomers and a shrinking of the labour market, we have another little mini baby boom of our own that's our great advantage. It is the young people of Aboriginal ancestry, Mr. Speaker, who are now into and entering the K to 12 system, who come the end of the decade will be available to take their place in the labour market of Saskatchewan. Mr. Speaker, that's our great advantage in our province as compared to the rest of the nation.

And so therefore there is a challenge. There is a challenge to post-secondary; there is a challenge to partners in industry; there is challenge to all of our institutions, including our Aboriginal institutions, to ensure that we are all working together in the interest of our province to ensure that we have available to us a pool of educated and trained Aboriginal men and women to take their rightful places, active participants in our economy, Mr. Speaker. That is our great advantage, and I'm proud to say in this budget we are preparing for that.

Some Hon. Members: Hear, hear!

(2015)

Hon. Mr. Hagel: — Well, Mr. Speaker, there is no doubt that a competitive tax system is part of what it takes to attract and retain skilled workers. I'll come back to the realities of graduates and their location in the nation in a few moments, Mr. Speaker.

But first of all what I'd like to do is to talk about the vision and the goals of the post-secondary department, post-secondary sector, which is part of our vision for support in this economy. I talked earlier about the Minister of Finance's statement of his vision for Saskatchewan, and the vision for post-secondary education is this: through continuous learning all Saskatchewan people have the knowledge, skills, and abilities to benefit from and contribute to society and the economic prosperity of the province . . . said the clip, Mr. Speaker, as I said earlier, in *The Future Business*.

And this year marks the first time, Mr. Speaker, I'm proud to say, that there will be a comprehensive, sector-wide strategic planning process and a strategic plan that will be put in place for all of the post-secondary partners to be able to see, and they've been contributing to it — I thank them for that — to ensure that we've got the ability to make the priority decisions to take those limited resources, tax resources, and spend them as wisely as we can.

And in our strategic plan, Mr. Speaker, we've identified five goals for our sector, and I'd like to share them with you now. They are these:

Number one, the first goal is that there is effective leadership in the post-secondary education training and employment services sector, and the department accepts that responsibility with pride.

Number two, the province will have a sustainable, high-quality post-secondary education training and employment services sector, and it's important therefore, Mr. Speaker, to work with our partners. And I'm proud to say that here in the province of Saskatchewan our universities, SIAST, regional colleges, Aboriginal institutions, private vocational schools, Apprenticeship and Trade Certification Commission, Mr. Speaker, our career and employment services centres are all working with a new and vibrant mandate. And most importantly, Mr. Speaker, they are working co-operatively in the best interests of the people of Saskatchewan.

Thirdly, Mr. Speaker, our goal is that the sector will meet the needs of individuals and communities. As I said earlier, Mr.

Speaker, post-secondary education, most critically, must be there to do the best job we can in providing the resources for our people to be able to make . . . to get the qualifications, the knowledge, the skills, the competencies, to make their own direction choices about their careers and their futures.

Mr. Speaker, the fourth goal is that the sector will meet the needs of employers and industry and contribute to economic growth because surely it must be our objective to provide the Saskatchewan training to Saskatchewan people for Saskatchewan jobs. And therefore we must work in partnership, Mr. Speaker, not only with our institutions but also with industry and employers.

And fifthly, Mr. Speaker, the sector promotes the discovery, integration, application, and the transfer of knowledge. We have some research responsibilities, and I noted with interest that it was just in today's newspaper that — and although this didn't come up for some reason, raised by the opposition — that the Minister of Economic and Co-operative Development was at the University of Saskatchewan to be a part of announcing \$1 million in funding from the Saskatchewan government in support of four different research projects going on at the University of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Well, Mr. Speaker, without question, post-secondary education continues to be one of the key provincial priorities here in our province. And the labour market trends analysis that I released about three weeks ago — that I referred to just moments ago — clearly shows that there will be tens of thousands of job opportunities in this coming decade.

I point out with interest as well another fact that has not come up raised from the lips of Her Majesty's Loyal Opposition, Mr. Speaker, that just recently about a month and a half ago, the pan-Canadian indicators reported . . . showed that Saskatchewan spending on education is higher than the Canadian average. And I say that with pride, Mr. Speaker.

And, Mr. Speaker, when I look at the record of some of our institutions here in Saskatchewan, and I note the SIAST annual grad survey that it is typical of that survey, Mr. Speaker, that 90 per cent of the grads, six months after graduation, who are seeking employment, in fact are employed. And I say with some pride, Mr. Speaker, that the most recent survey, the '98 grads from SIAST six months after graduation not only were 90 per cent of them employed, about two-thirds of them precisely in their area of training, but, Mr. Speaker, 97 per cent of them were employed right here in our Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, our institutions have formed successful partnerships with industry and they must do more. It is important that we spend taxpayer dollars wisely and prudently in a priority kind of way. And so I expect that our institutions will have partnerships and continue to build partnerships with industry.

I point out as well, Mr. Speaker, that four years into the

university revitalization process Saskatchewan's universities continue to grow in quality and efficiency in a co-operative way that I have never seen before in my experience in the post-secondary sector, and I compliment them for that.

But we do face a number of challenges, Mr. Speaker. And I'm afraid that I have to say that one of challenges we face was a federal budget. And I think it's impossible to use . . . no other word to describe the reaction, my personal reaction to the federal budget than to say it was one of disappointment. When I was asked by the media how I felt, what I thought about the federal budget, I said it was less, it was less than we had expected and way less than we had hoped.

Now, Mr. Speaker, let me put this into a perspective. The federal government has traditionally contributed not only to Saskatchewan, but to all the provinces in support of health and education and social services, post-secondary education through the CHST, or Canada Health and Social Transfer.

And we saw in this country, Mr. Speaker, our federal government through the '90s deciding to tackle their deficit in a way quite different from here in the province of Saskatchewan by reducing their funding to social programs. We saw in this province alone, Mr. Speaker, in 1995 and 1996 reductions in CHST transfers to our province in excess of \$200 million — \$200 million reduction, Mr. Speaker.

I am proud to say, although it was not easy, that Saskatchewan stood alone in the nation — Saskatchewan stood alone in the nation in 1995 and 1996 — and backfilled every one of those lost federal dollars in support of health and post-secondary education right here in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — And so we thought with the federal government talking about their \$100 billion forecast in surplus that there were going to be some funds to assist not just us, but all the provinces across the nation.

Now as we prepared for our budgets, Mr. Speaker, we had reason to believe, we had reason to believe that what they were going to provide this year, contrary to the calls by all of the premiers, all of the ministers of Education, all of the ministers of Finance in the summer and the fall, to begin to restore the CHST funding to allow us to rebuild some of the strained health programs that we've got going on and to be able to respond in ways that are growing critical across the nation in access to post-secondary education.

The sad news, Mr. Speaker, was that we were expecting the night before the budget, the federal budget, that what they were going to say is that not that they were going to restore CHST funding but that they were going to provide \$3.5 billion in one-time funding for a year and we thought, Mr. Speaker, that was devastating news.

Well, Mr. Speaker, if only it would have been that good. Because when we listened to the federal budget, what they announced was not \$3.5 billion for health and post-secondary education across the nation, one-time funding for a year. What they said is there would be \$2.5 billion for health and

post-secondary education all across the nation for four years.

Mr. Speaker, that was a desertion of the obligations of the federal government to the people of Saskatchewan and across the nation. I say shame on them. This is not an approach to budget balancing that will be taken by this government which is committed to priorities in health and post-secondary education, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — So I think, Mr. Speaker, contrary to the words from the federal government, we've been led to believe that there were expectations that would be realized but in fact they were failed expectations, Mr. Speaker. Some will question the significance of that in terms of sustaining things like the social union framework and, Mr. Speaker, these will challenge us all.

Well, Mr. Speaker, when I went around the province of Saskatchewan, people said we must spend — as I said several times earlier — we must spend taxpayers' dollars in a prudent kind of way.

And so I think, Mr. Speaker, it's fair to say that this budget meets the fist of fiscal prudence. Fiscal prudence means you understand what your priorities are, you take your limited resources, you spend them the best you can, and you focus on your priorities. And our priorities, Mr. Speaker, are doing the best we can to meet the real needs of students.

Now let me just talk for a moment, Mr. Speaker, about some things that are changing and to comment on a couple of subjects that the hon. member for Last Mountain-Touchwood raised in his remarks. He talked, Mr. Speaker, about the summer employment program, Mr. Speaker. And what does he say, as I mention it. Zap, it's gone.

Is that a criticism of this government? Is that a criticism of this government? I ask the hon. members, would the Saskatchewan Party be continuing the program? Well they've gone silent, they've gone silent, Mr. Speaker.

Let me explain, Mr. Speaker. We have had a student summer employment program in Saskatchewan, put in place a number of years ago, to support the creation of student summer employment — a very important phenomenon, Mr. Speaker.

However, what exists, Mr. Speaker, what exists in the province, across the nation in fact, is a federal subsidy program that is in fact much richer and much more attractive. Now let me just explain them, Mr. Speaker.

The Saskatchewan summer employment program provided a \$1.20 an hour subsidy for student summer employment. The federal program — and I'll be interested to hear whether the members opposite would say that their prudent decision would be to do something different. The federal program, Mr. Speaker, provides for — and the federal program is there — provides for employers a subsidy in the range of a minimum of \$2.50 an hour to as much as \$5.60 an hour, Mr. Speaker — substantially richer.

Would the hon. members say that we should take Saskatchewan taxpayer dollars and compete with a federal program with the same objectives that is much richer? And how do we know that it's more attractive to employers, Mr. Speaker? All you have to do is look at the facts. The reality is that last year, Mr. Speaker, the Saskatchewan summer employment program approved applications from employers who requested the program. Mr. Speaker, 64 per cent of the employers who were approved for the Saskatchewan summer employment program said they didn't want it. Two-thirds said they didn't want it because they got the federal program, it was a better program, and they didn't want the Saskatchewan program.

So, Mr. Speaker, is it a wise expenditure of three-quarters of a million of Saskatchewan tax dollars to continue with a program that is in competition with a richer federal program that employers are saying they don't want? Is this fiscal prudent Saskatchewan Party style? Is this responsible government?

Mr. Speaker, we made a priority decision to redirect those funds in ways that will be of greater benefit to students in Saskatchewan, more directed to students in Saskatchewan, and that's what we're doing in this budget.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — And I'll come to those in a moment. It's a number of things in combination.

Now, Mr. Speaker, the hon. member also raises the question of the six-month grace on interest following graduation for students. Now he doesn't say this, Mr. Speaker. He doesn't say that there are in fact two student loans that students get. One is a Canada student loan, one is a Saskatchewan student loan. The reality is, Mr. Speaker, that when students graduate, for the large majority, two-thirds or more of their total debt is the Canada student loan. The bursaries that are going on are bursaries provided to bring down the debt that students have on their Saskatchewan student loans.

Mr. Speaker, let me point out that here in Saskatchewan we loan, in the student loan program, some 50 to \$60 million a year. And, Mr. Speaker, in this budget year, in the 1999-2000 budget year, the Saskatchewan student loan program provided bursaries forgiving over \$22 million of Saskatchewan student loan monies, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Now I say, Mr. Speaker, and you compare that across the country, there is no place like Saskatchewan to be a student. The best student loan program in Canada is right here in Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — That's the reality. Now what do we know about the Canada student loan? We know that the Canada student loan never has, it does not, and it never has had a grace period for the six months after graduation. It's never been there. It's not there now. It's never been there. Never been there.

We also know, Mr. Speaker, we also know that earlier this year

we heard on the news, we all heard it, that the Canadian government lost their ability to contract with the banks in support as lenders for student loans.

Now, Mr. Speaker, despite philosophical objections some may have, that's a significant factor. That's a significant factor. Those bank contracts for Canada and for the provinces, Mr. Speaker, are very significant in terms of being able to assure the availability of student loans monies for our students as they're working to build their futures.

And so the Canadian government said that they were no longer going to be able to provide that through contracts with the banks and they were going to lend Canadian taxpayer money.

(2030)

Now this leaves all of the provinces in Canada, Mr. Speaker, in a position that is very, very difficult. We know, we know that as a result of our contract with the banks here in Saskatchewan, it has been able to save us, to make budgeting more predictable, in predictable ways to provide the priority spending to post-secondary education, and to save ourselves in order to be able to redirect it in other ways, millions of dollars, Mr. Speaker. Millions and millions of dollars. That's the reality.

Now as a result, Mr. Speaker, of the change by the federal government, the provinces have got a couple of choices. Do you partner with the federal government and therefore find yourself in a position where you adapt your loan arrangements to their loan arrangements? I point out the Canada student loan never has had the six-month grace, Mr. Speaker. Or do you work hard to try and make yourselves attractive in order to get the contract with the bank in order to provide stable funding.

In either case, Mr. Speaker, the reality is this. In either case — whether it's partnering with the federal government or whether it is negotiating with banks — a deterrent in both of those cases is the grace period. And so it is with some . . . Mr. Speaker, with some sadness that I find myself feeling that a priority decision had to be made if you truly care about the long-term security and the availability of student loans. That's what responsible politicians do. That's what people do when they are dealing with priorities and concerns for the realities of student needs.

And so, Mr. Speaker, a decision was made — not happily — but it was made. I point out that it has no effect on students who are graduating this spring. It goes into effect on August 1. And I point out as well very, very, clearly . . . Let me make it very clear that nothing has changed in terms of the first payment. It has always been that students have six months to make that first payment, and that continues, and that will continue, Mr. Speaker.

And I repeat, when I look at the package together, I look at the fact that two years ago this province — ahead of the rest of the nation — decided to improve the support for students in our province with greatest financial need and introduce the bursary program that is the best in the nation. That this is a province that stands proud of our support for our students and has the best student loan program in the nation — bar none, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Well, Mr. Speaker, as I go on and I look at other priorities and changing priorities in changing times, one of the things that we need to attend to is the physical plants of our institutions, Mr. Speaker.

And I note that we are providing in this budget an additional new capital expenditure in support of the . . . (inaudible) . . . for air conditioning at the University of Regina in the form, Mr. Speaker, of a million dollars in this budget as a first payment.

I note as well, Mr. Speaker, that we are making first payment to the University of Saskatchewan in support for construction for the new Thorvaldson Building and the kinesiology building. And that's a new expenditure, Mr. Speaker, to the University of Saskatchewan of \$7 million in this budget.

And, Mr. Speaker, I point out with some pride what this budget introduced for six departments — including the Department of Post-Secondary Education and Skills Training — the Centenary Capital Fund, Mr. Speaker. A fund that will provide \$5 million each year over the next four years — \$20 million — in support of additional capital projects in post-secondary education; preparing for the new century; preparing, helping, and supporting our students for the new economy in the new century here in the province of Saskatchewan, Mr. Speaker.

And, Mr. Speaker, I want to now turn my attention to the matter of financial access. The hon. member from Last Mountain-Touchwood said, he said what he heard is he heard when he came to some of the meetings that the people of Saskatchewan concerned about access said that one of the things you should do is show support and financial assistance for students by introducing a tax credit for grads — and we did, Mr. Speaker.

But let me just reflect on some other things, Mr. Speaker, and provide a little more detail to that. Because as a matter of fact, the package, Mr. Speaker, that is directly related to financial access totals some \$16 million, Mr. Speaker, when we put it together in a way that the people of Saskatchewan told us made sense.

Now, as I said, as I said, Mr. Speaker, they said if you're going to give financial support directly, it's better at the end as a reward than it is at the beginning, Mr. Speaker. And they also said, look for ways to provide incentives in order for Saskatchewan people who graduate to establish their careers in Saskatchewan. And, Mr. Speaker, when I tie that together with the demographic forecast of the labour market trends, it says to me that we're using taxpayer dollars wisely when we're looking for additional ways to add for reasons to be here in Saskatchewan.

And so, Mr. Speaker, we introduced, in this budget, Canada's first graduate tax credit in the amount, Mr. Speaker, of benefit to a graduate establishing here of \$350. Mr. Speaker, it's a Canada first.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Now, Mr. Speaker, who does that apply to,

who does that apply to? It applies, Mr. Speaker, to post-secondary graduates who are taking training in excess of six months. It applies to people who earn a degree at our universities. Who learn . . . who, Mr. Speaker, attend SIAST and get a diploma or certificate from SIAST or through the regional colleges.

Mr. Speaker, it also applies to graduates of our private vocational schools who are taking training programs in excess of six months. And, Mr. Speaker, it also applies to our apprentices who earn their journeyman tickets here in the province of Saskatchewan.

It's another way of saying to graduates of post-secondary education in Saskatchewan, who establish their careers here and pay Saskatchewan income tax, of saying we support you and we welcome you and we want you to be a part of building the future of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — Mr. Speaker, I've already talked about the 4 per cent increase in excess of \$10 million that go to the universities, to SIAST, to the regional colleges; and as well, an additional 4 per cent to our Aboriginal institutions as ways of increasing their access and their quality of programs and keeping tuitions as affordable. Because, Mr. Speaker, although they said in the rural areas we want you to look for new ways, additional ways to bring the campus to the student; they said we want you to work to keep the tuition rates affordable. And, Mr. Speaker, we are dedicating in excess of \$10 million in a 4 per cent increase, when inflation is 2 per cent, to our institutions.

Mr. Speaker, we're also saying, as I said earlier, that we are dedicated to improving the access of people, particularly in rural and northern Saskatchewan, and we're increasing the technology enhanced learning budget, Mr. Speaker, by \$1.4 million. That's nearly a five times budget, Mr. Speaker, compared to what it was before.

And finally, Mr. Speaker, what it — what we are also providing is the increase in funding in support of disabled persons, Mr. Speaker, in the EAPD program, an increase of 25 per cent — a million dollars — to make it more accessible for people with disabilities to participate in post-secondary education.

And so, Mr. Speaker, I want to say thank you to the Hon. Minister of Education who joined me in the consultations. I want to say thank you to the hon. member from Last Mountain-Touchwood, and many other members of the House on both sides who attended the meetings because they cared, because they cared to see what people were saying and concerned about in post-secondary education.

And, Mr. Speaker, when I look at the results, it is with some pride that I say we put forth this prudent package. We said the principles are going to be this, that we would be bringing in a program, Mr. Speaker, that would respond to real student needs. It would support quality post-secondary education, and it would be fiscally prudent because it would therefore be sustainable. Mr. Speaker, that is what we did with this \$16 million post-secondary access that is delivered in this budget, Mr. Speaker.

And, Mr. Speaker, I point out as well that the benefits that we brought . . . that we provide in the student loan program, and the improved benefits have aided over 30,000 people. I point out as well, Mr. Speaker, that in this budget there is \$2.8 million to increase the nursing education in Saskatchewan, monies going to SIAST and to the university to increase by 80 — from 160 to 240 — the number of nurses training to meet our health care needs in the province of Saskatchewan.

I point out that there is an additional \$1 million targeted to forestry training to assist in the development of the forestry industry in northern Saskatchewan, and it will be implemented in a way that is similar to the very successful mining strategy that we've developed through the multi-party training program.

And, Mr. Speaker, I want to conclude with some reference to another reality that I suspect those who are into doom and gloom will find very discouraging, because, Mr. Speaker, the picture here in Saskatchewan as it relates to our graduates is rosier than I think many of the members opposite and others may in fact be inclined to think.

Mr. Speaker, it was just late last year that StatsCanada made a report. Every decade or so they do a review and they look at what's happening with graduates in the nation — province by province and in the nation. And when they looked at what was going on in Saskatchewan, they looked at 1995 graduates in this province and every other province, and they looked at where were they two years later in 1997 — so after the dust had settled and people had established themselves.

And so it gives a very accurate way, Mr. Speaker, in our nation . . . This is not Saskatchewan's work, this is StatsCanada, Mr. Speaker. And what they found was this. They said here in the province of Saskatchewan, when they looked where 1995 grads were two years later, and they subtracted the graduates — the university graduates, Mr. Speaker, they subtracted the university graduates, who had trained in other provinces who had moved to Saskatchewan, and they took that number, Mr. Speaker, and then they subtracted from it the number of university graduates trained in Saskatchewan who moved elsewhere. There was a difference of one — a difference of one. Maybe you know him, Mr. Speaker, or her.

Mr. Speaker, the reality is that in the 1990s, here in the 1990s the number of Saskatchewan university graduates trained in our province is the number of university graduates who are establishing themselves in our economy. The number moving out are identical to the number coming in. Mr. Speaker, I think that's good news for Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — But the news gets better, Mr. Speaker, the news gets better. When we looked at what was happening with technically trained grads — I just talked about university grads — when we looked at what was happening with technically trained grads, Mr. Speaker, what we found was that in fact, in Canada, 1995 grads two years later, the number of technically trained grads moving into Saskatchewan was in fact substantially more than the number of technically trained grads who were moving out of Saskatchewan.

And, Mr. Speaker, when they put the technically trained grads and the university grads all together, they found that there was a net in-migration to the province of Saskatchewan of 4 per cent increase in the grads who were coming to Saskatchewan over those who were leaving. A net increase, Mr. Speaker, a net plus, for graduates who are locating themselves in the province of Saskatchewan in the '90s.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — That's the reality, Mr. Speaker. And somebody asked me what about Alberta?

Now, Mr. Speaker, if they ask me where are those grads who are leaving Saskatchewan when they get their diplomas, degrees, and certificates, where are they going to? Well the answer is really quite obvious, Mr. Speaker. They're going to our neighbouring provinces. They're going to Alberta, BC (British Columbia), Manitoba, and then Ontario, in that order.

And, Mr. Speaker, when we asked where are the grads who are coming to Saskatchewan coming from, that's no more surprising, Mr. Speaker. They're coming from Alberta, Manitoba, and BC and Ontario.

And so what we find, Mr. Speaker, is that in this increasingly mobile world, that in fact grads are training in a number of places and they're going to other places to establish themselves, but when you put it all together, Saskatchewan's a net winner.

Now how does this compare to the '80s, Mr. Speaker? How does this compare to the '80s? Because the previous . . . as I said, about every decade this review is done. And when it was done in the 1980s, Mr. Speaker, when they looked at 1986 grads and said where are the '86 grads from Saskatchewan?

Mr. Speaker, what they found was this, was that 21 per cent of the grads from Saskatchewan were moving out, 10 per cent of grads from other places were moving in, and in the 1980s, Mr. Speaker, Saskatchewan was suffering a net loss of 11 per cent of our grads. In the 1990s, Mr. Speaker, we are experiencing a 4 per cent increase — a surplus of grads. Mr. Speaker, the economy of Saskatchewan is attracting people more effectively in the '90s than it was in the '80s when those folks were in power.

An Hon. Member: — What went wrong with the '80s?

Hon. Mr. Hagel: — Somebody said, Mr. Speaker, what went wrong in the '80s. What went wrong in the '80s? And, Mr. Speaker, let me just say two words — these will be inspirational words, particularly for the hon. member for Estevan but a number of her colleagues who served with him in this place — they are political allies, Mr. Speaker. They are political affiliates. They won't call themselves that.

But, Mr. Speaker, what went wrong with the '80s in Saskatchewan was the Progressive Conservative government under the leadership of Grant Devine. That's what went wrong with the '80s.

And what went right with the '90s, Mr. Speaker, was a New Democrat government in this province under the leadership of

the hon. member for Saskatoon Riversdale. That's what's going right with this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Hagel: — And, Mr. Speaker, when we look at what's happening here in the province of Saskatchewan, I'm proud to say that Saskatchewan people value education. It is a matter of fact that when you look at our universities here in Saskatchewan — we've got two good universities, Mr. Speaker. That in this province we have one of — some would argue the highest; I will say only one of because I can say that with absolutely certainty — we have one of the highest rates of participation at universities of our young people ages 18 to 24 in this province. Twenty-four per cent of our young people in this province, Mr. Speaker, are attending our campuses at the University of Saskatchewan, the University of Regina, taking university training in the province of Saskatchewan. A higher rate of participation than the rest of the nation, Mr. Speaker, and about that we should feel proud.

Some Hon. Members: Hear, hear!

(2045)

Hon. Mr. Hagel: — And so, Mr. Speaker, when we look at the big picture, the Minister of Finance referred to this budget as a plan for growth and opportunity. And, Mr. Speaker, it is a plan that is brought to this Assembly with some foresight and with commitment to the objectives of the people of Saskatchewan.

A commitment to make responsible decisions and priority decisions when those have to be made because we recognize that those tax dollars that come into the coffers — which in fact are being reduced; the rates are being reduced therefore making Saskatchewan a more attractive place to live, Mr. Speaker — they have an obligation to spend them wisely and to spend them well in the interests of the ones that sent us.

And, Mr. Speaker, as Minister of Post-Secondary Education and Skills Training, I stand proud as my commitment and my responsibilities to the students and the institutions and the stakeholders and the partners in Post-Secondary Education and Skills Training. I stand proud of the budget that is presented here, Mr. Speaker, for the future and growth and opportunity for our province.

Mr. Speaker, I will be voting for the motion and against the amendment. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Allchurch: — Thank you, Mr. Speaker. I am so glad that I am able to stand because if I'd have sat any longer, I'd have fallen asleep.

It is my privilege to stand here today, in this House, to speak to the first budget of the 21st century.

I've always been a person who gives credit where credit is due, but I've also been one that will condemn those who take credit for doing nothing. Mr. Speaker, in giving credit to the government on a part of this budget is to say that by dropping

personal income tax was a very good thing. Our party, the official opposition party, campaigned on this in the last election. By dropping personal income tax, you have adopted our policy that cutting income tax helps to stimulate the economy.

Also by eliminating the flat tax, the debt reduction tax, and the high income surtax — this will also stimulate the economy.

Also, Mr. Speaker, I would like to say to the members opposite that brought forth something I never, ever thought would happen — First Nations paying PST off the reserves. In the last election, defeated NDP member Lloyd Johnson said, and I quote, "First Nations will never pay tax; it was against their treaty rights."

I am so happy this happened because it puts everyone in the same playing field. Everyone uses the services; let's all pay equally for them.

I was so glad last night when I came down to listen to the Minister of Northern Affairs talk. He had a lot of comments — good comments. He knows and understands the fairness of taxation for First Nations. It's too bad a couple of members — namely Chief Ken Thomas and Chief Lawrence Joseph — hadn't had his thoughts and wisdom when they decided on Thursday and Friday in the town of Spiritwood to demonstrate in this town.

Were they demonstrating against the town of Spiritwood? The business in Spiritwood? The mayor and council in Spiritwood? The schools? Or were they demonstrating against the former NDP member, and now the NDP government? Mr. Speaker, I ask the member opposite, why Spiritwood? Why only Spiritwood? If it is a tax problem, is it not a tax problem in all of Saskatchewan? Why was Spiritwood singled out?

The member of Northern Affairs talked last night about racism. This new tax for First Nations will curb racism in Saskatchewan. As you know, in the last election we may have been earmarked as being somewhat racist for bringing forth this proposal. Let me assure you, Mr. Speaker, and the members opposite, that we are not racist. This party is not racist.

Mr. Speaker, I have talked of a couple of things this government has done for a positive. Now I want to talk about the things that are negative. And if I hadn't thrown away 10 or 15 pages I could still keep going on. As I stand before this Assembly to represent the people of Shellbrook-Spiritwood, I bring here concerns; and their concerns are many in regards to this budget. Mr. Speaker, I thought and hoped this budget would contain something good to keep people in Saskatchewan, but no, the PST left at 6 per cent, plus all the expanded PST in other things.

What is here to keep the young people here working? On Sunday, Mr. Speaker, Sunday morning, my oldest son phoned me and he said, I quote: Dad, it's time to leave for Alberta. With half my family there now and the NDP government at the helm, isn't it time to move? So I said, Mr. Speaker, to my son, I said: Son, you have to do what you must do, but I know you will move and then my second son will move and then my third son will move.

I thought, Mr. Speaker, after the last election the government would listen. They told us they would listen to the people of Saskatchewan. They told us that they would give us tax relief, not tax increase. They gave us relief on one hand; then they reached in the pockets and took it out on the other. With SaskTel and SaskEnergy increases, it adds up to 41 million. With the tax relief of 43 million that the government just promised — that gives \$2 million left for the year. When you add it up or when you divide it up, it works out to \$2 per person. Now is that a tax relief? Is this what we need to keep young people here in Saskatchewan?

Mr. Speaker, in economic growth and new opportunities, it has been stated children on welfare and families on welfare have dropped by 6,000 people. Why, you ask. Well it's simple, they've gone to Alberta. There are jobs there. Premier Klein, Premier Klein will create an estimated 15,000 jobs in six months in Alberta, Mr. Speaker.

I know our government, our government of today, our members opposite, will try and create jobs too but I know, and you know, they'll all be created in Alberta.

Mr. Speaker, last night a member from Battleford finally got up the courage and stood in the Assembly and said all the wonderful things Battleford is doing. He also said in his statement that we are going to start construction on the bridge. And I am so glad, I am so glad that this bridge is going to be constructed. He stated that he will start this year only with the ramps and the groundwork, and do the rest later. And I'm sure that this certain member, if he keeps stretching the truth about North Battleford, maybe he will become the bridge over troubled water.

Mr. Speaker, I would like to talk about health, health care, and how it affects the people of Shellbrook-Spiritwood. The goal of this government is to promote community-based services, is away off track. The wellness model that was introduced years ago has done nothing but close hospitals, convert hospitals to health centres, change acute care hospitals to nothing but first aid stations.

Health problems are a major concern to the people of Saskatchewan. Recruiting doctors in small-town Saskatchewan is a major problem. I certainly believe an audit of the health care system must be done to cut the fat from the budget, to ensure the workers of health care and delivery are looked after.

Mr. Speaker, with the introduction of this budget, education and training really took a hit. There are little or no money for education systems as it applies to schools and school boards. In talking to a couple of directors of education, they said and I quote: "There was little in this budget for us, but as they say for farmers, we'll get by." I am assuming that they will cut teachers or jack up the mill rate. Where else have they got to do, Mr. Speaker?

What hurts me most, Mr. Speaker, is the loser in this budget is the children; the kids of our future. What future is there for kids getting out of high school except let's go to Alberta. In Alberta there's a job waiting for me.

Mr. Speaker, the minister stated — in Agriculture — this

government has the courage and vision to look past that disguise to find new opportunities. Saying this to a farmer — which most of my colleagues here are farmers — is a joke. You got rid of GRIP (gross revenue insurance program); you didn't hear from the farmers' cries until it was almost election time. Then after the election, the rural people spoke out; you still didn't get the message. And still you state in your budget, though, we have a vision. Is your version to get rid of small farmers? Because if so, small business will follow.

I am fortunate to live in an area of farming that is diversified in cattle. The cattle in my area will get by. Yes, we are losing our railways and elevators. Yes, we are losing our schools because of low school enrolment. Yes, the people in my area, through hardship, will get by.

The minister talks of a strong province with a strong future because people can see beyond what is. Well what is if people can see the next three to four years as reality, then what can be will be a government in place, a Saskatchewan government in place. That's what can be.

Mr. Speaker, the backbone of Saskatchewan is farming but the backbone's breaking, and along with the backbone of small business, they are breaking too. Small business people are moving out of the province. High, and now higher, taxes coupled with the high cost of fuel is driving more and more business people out to neighbouring provinces. And I won't mention Alberta; they'll go elsewhere too.

You can't blame them. The minister says in Saskatchewan there is opportunity. The only opportunity for people is to get out; and the last one to leave, I sure hope they turn out the lights.

Mr. Speaker, in my critic position of forestry and forestry management, the budget states there will be new partnerships and new training incentives. When will this come? Will it be soon or will be later? Will there be new jobs? Will there be jobs cut to offer more for the bigger players? We need to look after our forestry; we need to ensure that forests are there for our younger people coming up.

Mr. Speaker, my constituency has been phoning and phoning in regards to forced amalgamation which has been driven by the members opposite. I hope that the minister from Yorkton will scrap the idea of forced amalgamation and let it become, as always, volunteer amalgamation.

We see what has happened to our health districts and the controversy surrounding them. We don't need this in rural Saskatchewan again. As a member from my constituency quoted: "If it's not broken, don't try and fix it."

Mr. Speaker, we, the opposition party, have been consistently asking for tax relief for all citizens in Saskatchewan. Finally the minister, Paul Martin, told us if the provincial government and federal government joined together, we can drop the gas tax by 10 cents a litre. What a relief to tax payers. What a relief in time of need.

When it costs about \$60 million, we have \$700 million in a slush fund. What is 60 million to \$700 million when it will help so many right now?

But our government doesn't want to give tax breaks. It's not their mandate. Doesn't this sound like a socialist government? And they wonder why, in the last election, 60 per cent of the popular vote went to us. The majority of the people know the difference. They want something good coming out of this budget, something positive.

(2100)

Well once again the citizens of Saskatchewan were failed by the NDP government. The NDP government gave us smoke and mirrors. They promised us, in last year's election, to significantly reduce income tax without — and I say again — without expanding the PST. They broke their promise again.

The NDP also said they could run the province on a \$4.5 billion budget. This year with a projected revenue they will come up with \$6.4 billion. This is \$2 billion going into probably the slush fund.

Mr. Speaker, in closing my address to the budget speech, I would like to once again emphasize the importance of taxes and taxation in which the Speech from the Throne shows there is some relief. But again, you can't count on lowering taxation by putting a dollar in one pocket and taking two out in the other.

This budget, Mr. Speaker, is not good for my constituency, it is not good for me, and it is certainly not good for the province of Saskatchewan. Therefore, Mr. Speaker, I will not be supporting this budget. But, Mr. Speaker, I will be supporting the amendment put forth by the member of Rosetown-Biggar. Thank you.

Some Hon. Members: Hear, hear!

Hon. Ms. Junor: — I'm proud to rise today to speak in favour of our government's budget and in opposition to the amendment. I'm pleased to take some time today to bring to the attention of my colleagues on both sides of the House the good things in this budget from my standpoint as a person who will be celebrating 34 years in health care this year.

Some Hon. Members: Hear, hear!

Hon. Ms. Junor: — As a health care provider, I sometimes look at things differently than many people. I place a great deal of . . . I know I look very young. I place a great deal of importance on the determinants of health.

Through my experiences in the workplace, from my own desire to learn, and from visiting health services around Canada and indeed the world, I've learned that health is determined by more than hospital beds, nurses, and doctors. Around the world, significant research projects are underway that will help us in Saskatchewan. Important research in the past has provided us with many of the innovations we now enjoy.

Health care has changed since I entered nurse's training at St. Paul's in 1996. I've seen a lot of changes and I've been caught in the middle of the pain and the uncertainty of change as a health worker.

I know things are different across the country. It may surprise

some of my colleagues that health services are delivered in many ways around the world. But in Canada, Saskatchewan leads the way for innovation and adaptation. We see our health system adapting constantly to the changing demographics, advancing technologies in therapies, and a more informed consumer. Health services in Saskatchewan will continue to change and be improved based on current and future research and best practices. Best practices around the world help us in designing services that have a measurable effect on the determinants of health.

Through research, innovation is recognized and applied to make things better. This budget provides for improvements in many of the determinants of health that we care about here in this great province. For example, Mr. Speaker, we have increased the budget in K to 12 and post-secondary education because we know that education is one of the most fundamental determinants of health. It affects your future income; it affects your choices and your options in life; it affects your lifestyle; it affects where you live and what you do in your spare time. We've increased the budget in social housing, an area that the federal government has stepped out of and has dropped in the hands of the provinces.

My friend and colleague, the Minister of Municipal Affairs, Culture and Housing, has money in this budget for housing in the North as well as for a fund for general housing.

Our government is interested in helping people find that balance between education, housing, and preventative health services. Healthy lifestyle choices are a major determinant of our health status. The level of exercise and activity we partake in overall affects our health. Our level of activity is decreasing.

Mr. Speaker, changing eating habits and exercising, even starting at age 60 — pay attention some of you 60-year-olds — can have a huge impact on your life. You will live healthier longer and die quicker. That sounds good to me, Mr. Speaker. I want to be healthy for as long as possible and not linger in dying.

My colleague, the opposition Health critic, in his reply to the budget wondered where our public policies on prevention are in health. Mr. Speaker, I could list hundreds but won't in the interests of time. But I will highlight a few.

First and foremost, Mr. Speaker, our single-payer, universal coverage is prevention writ large. I believe and my colleagues on this side believe, that having access to appropriate health services is the biggest prevention of illness that citizens can have. Knowing that they won't be rendered bankrupt by an illness has lifted the stress that our families faced before 1962 and that is stress that approximately 40 million of our neighbours to the south take for granted. We won't go there. And people who don't seek care when they really need it because they can't afford an office visit only get care when they are acutely ill and then it costs more to treat them. Often it's too late to get help. Their outcomes are poorer.

But Saskatchewan is going to lead the way in this new millennium to an improved health system. To quote my colleague, the Minister of Environment: we are a government in a hurry. We are moving forward where others would come to a

grinding halt by doing an audit, which sounds like health services would be looked at strictly from the transactional viewpoint of who did what and what was spent where. Then what kinds of decisions would be made? Why abdicate leadership like that?

The Leader of the Opposition has said he sees problems but has no solutions. That is typical of members on the other side. Mr. Speaker, auditing shows you if proper financial procedures are followed. It shows you what was spent where and if it was spent according to sound financial practices. And I must ask you, Mr. Speaker, do we want health policy to be made by an auditor, with all due respect to auditors, instead of getting input from health providers, from top researchers, from best practices, from the experiences of other innovators?

Well, Mr. Speaker, we as government are taking the lead and making policy. Governments do that, Mr. Speaker — they take the lead. That is what our government is doing, showing leadership and calling for a national debate and continuing to move forward in the 21st century by designing a health system for the 21st century, with population health policies, access to appropriate health services provided by the appropriate health care provider in a manner that is affordable to Saskatchewan.

This government has a record of leadership and we will continue to lead based on sound research and best practices.

Some Hon. Members: Hear, hear!

Hon. Ms. Junor: — Back to some examples for the members opposite. Here's a specific one that everyone knows about. We pay for pre-natal care for pregnant women. That public policy helps physicians identify potential problems in the course of a normal pregnancy. That's why we have primary health service sites like Four Directions in Regina. That's why we are developing more sites in Saskatoon, Prince Albert, and the Battlefords.

We want to ensure that everyone has access to the services, so we are going to provide them in the most appropriate way in an accessible place. Mr. Speaker, communities have identified gaps in services and our government, in partnership with groups in the communities and with the health districts, is moving to fill those gaps.

Here's another public policy. We provide pre-natal classes. Here's another one. We pay for delivery in a hospital. And another one. We pay to have the newborn looked after, and we provide public health services to new mothers to assist them as they take their newborns home. We test the newborn in the hospital for early detection of diseases that could have catastrophic effects if not found early and treated.

Mr. Speaker, we require and encourage that infants and children be secured in car seats just as we require adults to buckle up. That is healthy public policy.

Later, we immunize the baby and provide well-baby clinics and immunization clinics. That is public policy that helps prevent illness.

We help educate parents about things to look for in their

children. We can always do more and we continually look for new programs. My colleague, the Minister of Health, and I are currently exploring an early childhood strategy that will aid health providers in better identifying challenges and opportunities in the 0 to 4 age range for children in Saskatchewan. That is good policy, Mr. Speaker. That is translating research and best practices to policies that work in a Saskatchewan setting. That is leadership, Mr. Speaker.

I mentioned primary health services a minute ago, Mr. Speaker. Primary health services is an innovative project of our government. It brings together a team of health workers, doctors, nurses with advanced skills, therapists, social workers, chiropractors, dentists, and many more. These teams provide care that is centred around health promotion and prevention. It is about seeing the most appropriate health provider when you need to, to get healthy, and to stay healthy.

The new Saskatoon city centre project is such a primary health services site. Here a multitude of services will be located in the downtown core of Saskatoon, anchored by recreation programs. Even the police want to locate in this complex. Local businesses are so enthusiastic, Mr. Speaker, that they are offering to participate in job placements for people who want to enter the workforce. And this project came from the people of the area — from the Saskatoon Tribal Council and from the Saskatoon Health District and from many others. They brought it to us and we had the vision across departments of government to support it.

Primary health services sites are in rural areas like Beechy, Kyle, Hafford, La Ronge, and Hudson Bay. There are innovative primary health services centres in rural Saskatchewan where advanced clinical nurses work in partnership with a physician to provide health services.

Organizing primary health services sites has been a visionary program of this government, and because our books are in order, we have been able to provide funding to get this visionary program started and to keep it going.

The acquired brain injury program — jointly administered by Saskatchewan Health and SGI (Saskatchewan Government Insurance) — helps with treatment and education about the need to prevent brain injuries. Helping young people understand, Mr. Speaker, that it only takes one second to make the right choice and put on a bicycle helmet or not to dive into unknown water. That is good public policy.

I don't believe that either communities or health districts are struggling for ideas, Mr. Speaker. There are a multitude of good ideas out there. Telehealth — x-rays and CAT (computerized axial tomography) scans can be sent around the province electronically to receive expert and second opinions. Health care providers and patients can use video conferencing to interact across long distances.

SHIN, the Saskatchewan Health Information Network. The health sector is one of the last to computerize, Mr. Speaker. Here is a way to integrate records and reduce duplication. Records can be sent immediately around the province and around the world in a secure environment. Communication can be improved, and we have worked in an incremental way to

bring clinics and hospitals and their staff up to speed on computer usage. And we have provided the infrastructure to connect into the existing systems — for example, hooking up the prenatal system with the newborn system in the immunization system; for example, hooking up pharmacies and doctors.

The BridgePoint Centre in Mildren — another innovative program that came from the community to make use of a facility and to bring a provincial program to Mildren. Treating people with eating disorders and helping them recover from the disorder is good healthy public policy. And educational programs that health districts have done over the past several years have helped bring this issue to the attention of high school students and the public in general.

The all-party Committee on Tobacco Control — through the hard work of our colleagues on both sides of the House, this committee is exploring ways to help our young people, keep them from starting to smoke. I'm excited to see what recommendations the committee will bring in — good, healthy public policy.

There are seven diabetic education sites around the province. We know that the incidence of diabetes is rising at an alarming rate. Mr. Speaker, diabetes can be prevented or controlled through making healthy choices about food and an active lifestyle. These education sites will bring awareness of healthy choices to people in their communities in various ways, targeted specifically to the communities the sites are in. What do we notice about many of these programs, Mr. Speaker? They do not occur in doctors' offices or in hospitals. Most prevention occurs in the community where people live and work and play sports and breathe fresh air and swim and ski.

I'm also a strong advocate of continuing improvement in our home care programs, Mr. Speaker. For me, home care is the most crucial prevention program and one that promotes the most independence for people who want to stay in the community. For seniors and for people with disabilities and for many others, home care can make the difference between living at home in comfortable and familiar surroundings rather than having to move into an institution.

Support for improved home care often frees up acute care beds. Care provided at home means that beds are available for urgent and emergency surgeries, and other emergent or urgent occurrences. Mr. Speaker, that is good public policy. Care provided at home means that a bed in the hospital is free. Some people need a nurse to come in and administer IV (intravenous) medications several times a day or week. That can be done at home in their own bed. Home care helps keep people out of special care homes and keeps those beds open for people from the community who need that level of care. Home care is a preventative program.

(2115)

Mr. Speaker, we support the partnership program that was proposed several years ago by the Schizophrenia Society of Saskatchewan. In that program, families and people with mental illnesses go to schools to speak and community groups to speak about mental illness. This innovative program has provided

information to the community, while building confidence in people with mental illness by giving them the opportunity to contribute to a better understanding of how mental illness affects people.

I've been told that very often people come forward after presentations and ask questions for themselves or for others close to them. That is good policy, Mr. Speaker, because early identification of mental illness means better treatment, and helps us provide services and prevent problems down the road.

It is also important to reduce the stigma associated with mental illness by showing the human side, and hearing stories from people living with mental illness and from their families.

Mr. Speaker, I recently had the great honour of being invited to represent Canada at a Pan American Health Organization sponsored meeting in Buenos Aires, Argentina. I spoke to the Minister of Health for Argentina and the ministers of Health in the provinces, as well as the Minister of Health in Brazil on primary health care.

Mr. Speaker, my visit had a profound effect on me. I got to see a two-tiered health system up close, and it was very personal for me as I identified with the staff in all settings. Mr. Speaker, they do so much with so much less than we have. I was shocked at some of the things we saw in my tours. I saw equipment in use that I've never seen in over 30 years of working in the health care system. I now remind people of how lucky we are in Canada and in Saskatchewan.

The public system in Argentina is very poorly funded as 40 per cent of the people don't pay their taxes. They buy their health care services and feel no compunction to support or contribute to the public system.

But there was some very positive aspects of my visit. I was happy to see some very well-developed primary health services sites, where patients had access to a wide variety of health providers so they could be seen close to home.

This is a worthy goal for us to build towards in Saskatchewan. And indeed, primary health care is talked about around the world. There is no bogeyman there.

Mr. Speaker, in my previous life I now know that I had a pretty narrow view of the world. I've told many people what I have learned is that it is much easier to lobby than it is to govern. Coming to elected office in government has given me the benefit of looking at every issue with a wider lens and of hearing from a wider audience of interested people.

And being a member of Treasury Board has given me even a wider view again as hard decisions have to be made. As a member of that committee of cabinet, the benefits of every proposal are weighed against spending the money elsewhere, of doing something new, or of doing something different. The good of the whole, Mr. Speaker, is a union principle that translates well to a provincial perspective in governing.

And the members opposite — while I realize that they often don't understand how the health system works — hear anecdotal evidence and don't get the whole story. And they

don't have solutions to the problems we face in health care.

Proposing an audit of the system is really simplistic. Each health district is already audited every year as is the entire Health budget. Those audits are public knowledge. That's not leadership, Mr. Speaker. As another of my colleagues across the floor described it, that's skating around on the pond getting ready to jump. Except in their case, the ice is cracking. They aren't on sound footing with their audit; they'll call in the auditors as the ice cracks around them. And you can't stay very long without solid footing before making some kind of decision, Mr. Speaker. You have to make choices and you have to show leadership. Our government has experience and has shown leadership once again in this budget and isn't afraid to make choices.

We want to continue to build a health system responsive to the present and ready for the future. Our goal, Mr. Speaker, is to make the system work better, not to talk about how it works and wonder what to do next.

My colleague from Melfort-Tisdale thinks that the goal of providing services in the community has gone off the rails. He said that since hospitals have converted, there are no services offered in the community. What about people who can now get chemotherapy in their community? What about people who can get dialysis in their community? His constituency is one, Mr. Speaker. Does he count that as a community program? What about people who can get visiting specialist services in their community, where before there was no access?

My colleague does admit that we cannot continue to increase our spending in health. We do agree on that one item. We have to be more innovative within our means.

I guess my colleague doesn't know that Saskatchewan is viewed as a leader in integration and co-operation around the country. At a national conference last year on innovation and health care — after I presented the Saskatchewan primary health services initiative — noted health care researcher Dr. Michael Dector said: here we are thinking about a policy and as usual Saskatchewan is already doing it.

My opposition colleague admits to being upset by conflict between health workers. Let me assure you, Mr. Speaker, health workers take no comfort in his interest in them, especially when one looks at the Bills that his party has introduced in the past and again in this session that would greatly reduce the rights of workers.

In contrast our recent work with the SRNA (Saskatchewan Registered Nurses' Association) and the deans of nursing has yielded many good things in nursing education. Things I only hoped to see, Mr. Speaker, in my previous life, such as having an assessment of prior learning for nurses who don't have a degree. We will now have several options for students who complete a degree in three years, three and a half years, and in four years. There may be an opportunity for a co-op program where students work and get paid and get credit for clinical time. That is a great improvement, Mr. Speaker.

I listened to the member from Thunder Creek talk gloom and doom, and once again look to Alberta. Recently a businessman

said to me: if we continue to run down Saskatchewan, we are the ones causing the exodus and a lack of confidence in our province.

Some Hon. Members: Hear, hear!

Hon. Ms. Junor: — Alberta may look, from a distance, like Oz. It has wonderful scenery and lots of oil wells, but there are problems there. I want to bring to the attention of all my colleagues that there are a large number of people in Alberta who don't pay their health premiums because they cannot. It's quite a concern for the government. The number I have, Mr. Speaker, is that one-quarter of the insurance plan holders are behind in their payments. In 1999, the percentage of the total number of plan holders who weren't paying was 23 per cent.

What does that mean, Mr. Speaker? The report I said . . . that I have said that many people were hearing from collection agencies, not from Alberta Health.

What does having such a high number of delinquent accounts say for Alberta? I think it says that a quarter of the people in Alberta are one step away from being refused services because they didn't have insurance.

Health premiums are hugely unpopular in Alberta. People who have unstable employment, who are probably at most risk for becoming ill, are the ones most likely not to pay their premiums. Many people view health premiums as a lump sum tax. It is one for seniors. For others it is a payroll tax, which means lots of bureaucracy and is a nightmare for employers. And doctors in Alberta are concerned about providing services that they won't be paid for when people aren't covered.

If you make over \$630 per month as a single person, you pay full premiums of \$34 a month or over 5 per cent of your income. This is not what we want for Saskatchewan. So I suggest my colleagues across the way stop comparing us to Alberta.

This budget moves Saskatchewan forward, Mr. Speaker, and I am proud to be part of a progressive government that looks at the new millennium with optimism. This budget is about change. We see the income tax structure getting the most dramatic change in the province's history. The change in our provincial sales tax base allows us to change our income tax system. Our tax changes will benefit farmers. They will benefit seniors. They will benefit people on fixed incomes. They will benefit low-income families. We have not cut services, Mr. Speaker, and we still have offered tax cuts that will put 70 per cent of Saskatchewan residents on par with Alberta taxpayers.

Mr. Speaker, change is a constant in our world. We are changing the way we do business and the way we communicate, educate, and relate to one another. As a government, we are constantly adapting to the new way the world works. We are emphasizing biotechnology, the development of our petroleum research industry, development of rural businesses through regional economic development authorities, medical research and innovation, community development — the list goes on, Mr. Speaker.

We are looking at better co-operation between us and our

neighbours to the South. We are working with our residents in the North. We are making major steps in the information technology area, especially in health.

We have a vision for the future. We have managed the economy well, we have made the right decisions, and we are on the right track for all the reasons I and my colleagues have talked about. And for those reasons, I support this budget and will not support the amendment. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. I've listened to many excellent speeches in this House over the last day and a half, or two days . . . (inaudible interjection) . . . Well in fact there was one very good one from the other side and I want to comment on that right now. The Minister of Post-Secondary Education — I love his style. In fact when I grow up, I want to be just like him. But just because I liked his style, doesn't mean I agreed with everything he said.

And I'd just like to comment that during his presentation tonight he did say that the Saskatchewan student bursaries group wrote off \$22 million in bursaries to Saskatchewan students this year. But he failed to mention that that amount was offset by \$10 million that came from the Canadian millennium scholarship fund, and that should have gone to the students but instead the money was confiscated by the NDP government to help with that little angle there.

But having made that note of correction, Mr. Speaker, I'd like to say that it's with great pleasure that I stand in the House today to give a response to the government's budget on behalf of the people of Cypress Hills.

Having listened to my hon. colleagues, both yesterday and today, there's not much of a general nature that has not already been covered by them. However there are elements in this budget which have a specific bearing on the people of my constituency and I hope to address them in this speech.

I know that the budget speech was delivered on March 29, but for awhile there I thought it was, oh maybe something else. I'd lost a couple of days, something had happened. The contents of that speech were contrived to convince me that it was April 1, and I was almost fooled into believing that this was a tax reduction budget that would bring immediate benefit to the whole province. A look at the details has proved that idea wrong. As in so many cases, the devil really is in the details.

Now when the Minister of Finance introduced his budget last week, he made a big production out of the fact that this is the seventh consecutive budget to be a balanced budget. Many of his colleagues have belaboured that same point. It was balanced all right. Now that the details are out, everybody's mad at him, with the possible exception of the restaurateurs. And where I come from, balancing your budget means living within your means, not borrowing from your savings account or some rainy day slush fund to cover your basic needs. And it's so much easier to balance your budget when you can get someone else to put the money upfront to help your cause.

Now that's exactly what this government has done with the

expanded PST. Balancing a budget is not that difficult if all one has to do is raise taxes to achieve the desired results.

Now what the people of Cypress Hills got from this government was the worst possible combination of tax changes — the application of a PST to a vastly expanded list of goods and services at the current rate of 6 per cent, and no relief in the realm of income tax until the next year at the earliest and that won't even be in a significant amount. So before we get a nickel back in tax relief, we'll pay a projected \$160 million, Mr. Speaker, province-wide in sales tax.

Now could someone explain to me again how this is not a tax grab? And why is it necessary to raise taxes in order to get a tax saving? Real tax reduction means a lowering of taxes across the board — not increases. To call this a tax reduction budget is simply playing with words; it's semantic gymnastics.

Even the promise to not tax utility bills has a rather hollow ring to it. Any money saved by consumers through that decision has already been eaten up by rate increases approved by the interim rate review commission, not to mention probable applications for future increases.

When Crown corporations have ready access to rate increases, there's no need to add PST to the bill of consumers.

Similarly, small additional allowances on farm gasoline purchases, while appreciated, aren't significant enough to make an impact on the bottom line of farmers. Now this is especially true in view of the fact that much more money is spent by farmers on diesel fuel than on gas, and there's been no effort by the government to address the other input costs.

The \$25 million per year for the next two years toward education tax on property will not be enough to offset the added cost of day-to-day living brought on by the expanded PST.

This budget has been most aptly described as a smoke-and-mirrors budget for the very reasons already stated, and its impact will be detrimental to every one of us who live and do business in southwest Saskatchewan.

(2130)

But why do I say that? Well simply because of our proximity to the Alberta border, where the sales tax is zero. Unlike many other people who speak on this issue, I in fact live with the reality of that border right in my own backyard. We've seen every sector of our economy hurt by the allure of tax-free shopping just across the border in Medicine Hat.

And as of this morning, we learned that the Alberta government is seriously considering lowering its portion of the gasoline tax even further. Where Alberta already has at least a 6 cent per litre tax advantage on fuel, the discrepancy is about to grow significantly larger.

So how are service station operators, convenience stores, and even bulk fuel dealers going to compete with that kind of difference in a pricing regime between two neighbouring provinces? How long will it take before another business or two or several bite the dust in Cypress Hills? And what of the

impact this will have on tourism in the upcoming summer season in this most beautiful region of the province? And what about the crippling ripple effect such discrepancies generate in the overall economic well-being of our region?

Does anybody in this government care about the debilitating consequences of their policies on the southwest part of this province? The answer is clearly no. No wonder there's such a feeling of alienation and isolation in the hearts and minds of people toward the provincial government, a feeling that is especially prominent in the distant reaches of rural constituencies like Cypress Hills.

Now in view of the threat of further fuel tax reduction in Alberta, maybe the Minister of Finance would like to reconsider his flat refusal to match the federal government's offer of a 5 cent per litre fuel tax discount. The logic of this provincial government mystifies me completely, especially on this particular count.

It has said so often that it cannot accomplish this or that project because the federal government has not contributed its share of the funding. Even the Minister of Agriculture indicated previously that he wouldn't walk away from money on the table put there by the feds. And yet as recently as this afternoon, the Minister of Finance stood right over there and steadfastly refused to accept money already on the table to help ease the tax burden of Saskatchewan residents.

So what is it, sir? Mr. Minister, will you or won't you accept federal money? Or will you only accept it when it won't cost the provincial treasury anything to get it? And when in the future do you foresee that happening?

Mr. Speaker, once again we have here an example where the provincial government could act to counter the economic imbalance between Saskatchewan and Alberta but refuses to do so. Such an action will directly impact every small business in the Cypress Hills, whether they retail gasoline or not. Now the lure of tax-free shopping in Alberta and enough cheap gas to pay for the trip will very nearly put an end to growth in our area. Even worse, it will undo much of what has already been accomplished.

Mr. Speaker, I'm thinking too of the effect that this budget will have on the new dinosaur museum being built in the community of Eastend, in my hometown. After 10 years or more of local initiative to get the facility built, not to mention the financial commitment of the Government of Saskatchewan in that project, the cost of fuel to get tourists there may well undermine the viability of the project in the short term.

And when tourists do arrive, a new 6 per cent tax will be there to greet them when they spend any amount of money at all on that site. And even the price of their admission will go up.

The expansion of this tax really is self-defeating in every area of endeavour. Nothing, I repeat, nothing discourages initiative and enterprise like taxes. And this one is very discouraging in southwest Saskatchewan.

I heard a member opposite yesterday refer to this document as a budget of growth and prosperity. From the prospective of

Cypress Hills, it's a budget to guarantee growth and prosperity in Alberta or any other jurisdiction where people choose to move or do business to escape the oppression of Saskatchewan-style taxation.

The member from Regina Qu'Appelle Valley said yesterday that he has relatives in Alberta who would return home to Saskatchewan in a minute because everything else is so expensive in that province. What he left unsaid is even more important.

I submit that the reason his family members don't return to Saskatchewan is the same as the reason why members of thousands of Saskatchewan families don't return — there's no jobs to return to. And if they do happen to find a job, the taxes are far higher than they're paying in Alberta right now. I know personally many, many people from southwest Saskatchewan — my son among them — currently living in Alberta who would gladly return home, but the economic opportunities just aren't here.

It gives me no pleasure, Mr. Speaker, to compare Saskatchewan and Alberta. But the reality is that Alberta continues to attract our people in huge numbers, much to our personal, our social, and our economic regret. Surely only wilful blindness would fail to acknowledge the reality and consequences of such out-migration.

In fact, I'm told that a reunion is planned for Saskatchewan expatriates of the past decade in Calgary this summer. Organizers are anticipating over 60,000 people to attend that event out of a possible 100,000 living in that immediate area. Now that's only people who have moved from this province to Calgary in the time this NDP government has been in power.

By its overwhelming economic prowess, this government has managed to turn Calgary into Saskatchewan's third largest city. And now I ask you: if our province really is doing as well as the government says, why isn't our population growing? Why is it necessary to remain the farm team to a burgeoning economy to the west?

I'm mystified today, Mr. Speaker, more than ever, after having listened to the members opposite stand in this House and praise the location and growth of corporate and retail giants among their constituencies. You know, such praise of corporate Canada and multinationals is highly unusual from the lips of individuals who claim to stand firmly on the bedrock of socialist philosophy. While I personally might think such activity is proof of heady economic times, it seems to me incongruous when socialists do too.

You know, I hope I can be excused for not comprehending fully such an apparent contradiction between philosophy and politics. But even greater is my incomprehension — I'm sorry — but even greater than my incomprehension is my extreme disappointment that such wonderful economic times are not being enjoyed by small towns and rural areas of this province generally. And where it is happening, it's in spite of this government, not because of it.

Mr. Speaker, the simple truth is this. The provincial government need not look any further than its own record to understand why

economic development in rural Saskatchewan is stagnant, or worse, in remission. Economic development in rural Saskatchewan has actually suffered at the hands of this provincial government for the following reasons among many.

One — high levels of taxation in all areas whether it be personal income tax, small business tax, corporate tax, the PST compared to our nearest neighbour to the west.

Secondly — we have a disintegrating infrastructure, especially highways, but including railroads, airport runways, and other necessary areas of government involvement.

We have a political philosophy that says if one area or community prospers, such prosperity inevitably comes at the expense of some other area or community. I heard that expressed in a speech tonight.

Labour laws which are so lopsided in favour of unions and against business owners that the very existence of some of our current manufacturers of short-line equipment is in jeopardy.

And finally, the continual imposition of grandiose schemes hatched in Regina or some other area — maybe a university campus — against the will of the people most directly affected, and then compelling those very people to pay for it.

With this kind of leadership, Mr. Speaker, from the provincial government, it's a wonder that any entrepreneurs of any kind are even left in this province. As one area individual told me in the community of Hazlet the other night, anyone who has even tried to run their own business in Saskatchewan ought to be given a gold medal, the odds are so stacked against you.

Two of the best example of economic development initiatives in the constituency of Cypress Hills are located in the community of Frontier. Honey Bee Manufacturing and Prime Pro Ventures are owned by local people. They are responsible for the employment of about 135 individuals between them, and they contribute significantly to the economic well-being of their community. Neither one of those companies has asked for any help from the provincial government. In fact, they have steadfastly refused assistance, even when it's been offered. But given the deteriorating highways which lead to their plants, they have serious concerns about their long-term viability in southwest Saskatchewan.

The only thing they need from the government is a decent road, Mr. Speaker, not a huge municipal government, not government grants. There would be many more such ventures happening all over rural Saskatchewan if we had a provincial government that understood and encouraged such initiatives instead of penalizing them with poor infrastructure, overwhelming paperwork, punitive taxes, and a condescending attitude.

In the past month, this region of the southwest part of Saskatchewan has also suffered from the loss of substantial numbers of medical personnel, Mr. Speaker. The community of Leader has lost two doctors. The town of Shaunavon has lost a doctor. A dentist in Swift Current has sold his practice to his remaining two partners and relocated. And the dentist in Frontier has made public her intention to move away.

Now each one of these medical-dental practitioners is moving or has moved to Alberta. Why? Because the opportunities are greater there. Once again, taxation is a major factor but so too is the inability of those professionals to incorporate in this province. That's a feature that has been steadfastly refused to them by the Government of Saskatchewan.

So rather than allow medical professionals to incorporate and lose a few tax dollars for the provincial treasury, the government says no, we can't do it. And we end up losing the practitioner completely.

How many tax dollars, Mr. Speaker, do we lose in this province when we chase the doctor out of the province completely? And what impact does losing such people have on the economic development of rural Saskatchewan? I haven't heard one of these medical people say that legislative renewal was a major factor in their decision, or that they didn't have enough patients, or they couldn't make their practice viable for some other reason. They left because the economic opportunities were better elsewhere and they will continue to be better elsewhere even with the introduction of this budget.

Now we've heard much about the increase to various government departments provided by this budget, most noticeably the Department of Health. Is any of this new money going to find its way into Cypress Hills? Well, I hope so. But I'm afraid to speculate, Mr. Speaker, in case that new money finds its way out there as a means to further close hospitals.

As it is today, for most of my constituents, the best and closest major health facility is in Medicine Hat. Now isn't that a coincidence? The small hospitals in Leader, Maple Creek, and Shaunavon are starved for money and have been effectively reduced to emergency band-aid stations by design of this government under the guise of so-called reform. Even the larger medical facility in Swift Current is chronically underfunded so the people of my constituency are routinely directed to Medicine Hat Regional Hospital, and how grateful we are to have at least that much available to us. Perhaps Saskatchewan's Department of Health could save even more money by ignoring completely the health needs of southwest residents.

And what about the glowing praise that has been given the Department of Highways, a whole \$15 million increase to a total never before reached — \$250 million — representing a whole 6 per cent increase over last year. That's just enough to cover the expanded PST costs. Excuse me, sir, if I don't join in the celebrations.

Now looking at the fine print, one discovers that the estimates are for less dollars to be spent on actual road construction, a few more dollars on repairs. It's my guess that by the time this government pays for the higher costs of fuel and oil products needed to patch our roads, we won't even get the increase in repairs that have been budgeted. We'll probably get substantially less. Of course that will save wear and tear on those newly acquired pieces of construction equipment that were purchased under such hushed and hurried conditions just prior to the conclusion of the last fiscal year.

Today our Minister of Finance said that 78 per cent of the fuel tax goes into our highways. Yesterday it was 80 per cent. At a

loss of 2 per cent a day, it'll take less time than we have to sit in this session to see the entire Highway budget disappear before our eyes.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Mr. Speaker, even if, even if 80 per cent of the fuel tax goes to the Department of Highways, precious little of it will ever go to our roads. More bureaucracy maybe, more engineers maybe, but not much to our roads.

It's hard for me to imagine, Mr. Speaker, anything that could alienate more the people of Cypress Hills to a government in Regina than a budget that promises so much and delivers so little. During the election campaign last fall, the NDP promised voters a \$1,000 tax reduction for a family of four. Not once do I remember hearing anything about the need to raise the PST in order to get a break on income tax.

(2145)

Was that promise just election rhetoric or was the Premier not telling us the whole story? It's no wonder the governments have a credibility problem among the electorate. It boils down to believability and credibility, Mr. Speaker, and right now the NDP government doesn't have much of either.

It's for that reason that I will be supporting the amendment put forward by the member from Rosetown-Biggan, the Leader of the Official Opposition, in this budget debate. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Thank you very much, Mr. Speaker. Mr. Speaker, I've listened with a great deal of intent and I've been intently listening to the remarks from the member from Cypress Hills and just for the record, I do want to say to him that the \$22 million bursary that is given each year to successful university students is money over and above the \$10 million millennium fund.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — I've listened intently to many of the speeches that have been delivered in the legislature and I think it is important that we try and present facts to the people of this province and I just want to present that fact to the people listening tonight.

Mr. Speaker, it's indeed an honour to rise tonight to take part in the 2000-2001 budget debate and to speak about our new investment in health in the province of Saskatchewan. Mr. Speaker, this budget is a clear indication of our government's ongoing commitment to publicly funded and publicly administered health care in our province. We're investing nearly \$2 billion in health services. The dollar figure, Mr. Speaker, is \$63 million more than last year's budget, which contained \$50 million in one-time funding for Y2K (Year 2000). So when you add it all up, it means that there is an additional \$113 million or a 5.9 per cent increase that will be spent on programs and services in this fiscal year, Mr. Speaker, and it's well beyond the freeze that is contemplated by the members opposite.

Mr. Speaker, this funding is going to help us manage rising utilization of the health system and in some areas provide for some improvements to the health services that our citizens expect. I want to take a few minutes, Mr. Speaker, to outline how some of these new dollars for health services will be spent in this fiscal year. Payments for medical services and education will rise \$18 million this year. This reflects increased use of physician services, costs of out-of-province coverage for those services that aren't available here, and increased support to our College of Medicine.

Spending on our drug plan, Mr. Speaker, will go up by \$21 million this year and this represents an increase of 27 per cent. And that just covers the cost of the increased use of drugs and some new medications, Mr. Speaker.

And what I would like to say to the members opposite which was a comment that I made to my colleagues all across the country last week is that for this year and last year we've seen a 48 per cent increase in the drug plan costs. On top of that, we had a \$9 million special warrant. So as you can see, the costs of the province's drug plan have gone up dramatically in the last two years as more people are using prescription drugs and there are new prescription drugs coming on to the plan. In addition, Mr. Speaker, funding to the Canadian Blood Services will go up by 50 per cent to a total of \$24 million. And this reflects growing use of blood products by Saskatchewan people and the cost of ensuring a safe blood supply in this country.

Mr. Speaker, the cancer agency will also receive an extra \$2.2 million. That's an increase of 8.7 per cent toward cancer treatment for our Saskatchewan citizens. Community based organizations or the CBOs (community based organizations) will receive a general 2 per cent cost of living increase. We're also providing \$150,000 increase to the BridgePoint Centre for the treatment of people with eating disorders. An additional \$70,000 to the Schizophrenia Society and \$620,000 to further our emphasis on preventing health problems for high-risk youth.

Mr. Speaker, health districts will receive an additional \$63 million, an increase in their base funding of 5.1 per cent. The additional funding to districts this year will help expand and improve some of their services and respond to growing utilization by the public. For example, home care and other supportive services will grow to meet the needs of our aging population.

And just as an interesting note, Mr. Speaker, Saskatchewan has about 14 per cent of our population over the age of 65, and that 14 per cent of the population utilizes about 45 per cent of our \$1.97 billion dollars in health costs.

There is also additional funding for vital provincial programs, like renal dialysis and cardiac catheterization. And we're providing more money to other specialized acute care services in Regina and Saskatoon to recognize the growing use of tertiary centres. And there is new funding, Mr. Speaker, to cover improved wages and benefits to help recruit and retain our valuable health providers in the province.

Overall, Mr. Speaker, we'll provide more than \$1.3 billion to our health districts across the province. And that's 1.3 billion to provide a vast growing range of quality health services for

every one of our citizens.

The size of the undertaking of Saskatchewan's publicly funded and publicly administered health system is absolutely astounding. Every day, Mr. Speaker, an average of 35,000 Saskatchewan people have some contact with the health system at a total cost of almost five and a half million dollars a day.

Every day, more than 250 people in our province receive surgery. Every day, more than 9,000 citizens receive nursing home care. And every day, Mr. Speaker, 18,000 prescriptions are filled in the province.

Our provincial lab does an average of 4,000 tests every day, and our province's road ambulance provides emergency services to more than 200 people every day.

Mr. Speaker, I think that our health system has a lot to be proud of. Let me give you some examples.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Now we often wonder where . . . we hear from the opposition, they want to know where the money's going, and if you just listen, I'll tell you.

Mr. Speaker, 4,706,000 visits and consultations with family physicians and 926,000 visits to specialists; 9,000 nursing home residents; 29,100 people each year receiving home care services — a total, Mr. Speaker, of 1,750,700 hours of home care services, and, Mr. Speaker, 483,750 meals.

Over 8 — listen to this — over 800,000 days of in-patient hospital care at a cost of \$400,000,000; an estimated 650,000 emergency room or clinic visits at a cost of 95 million; 76,000 trips by road ambulance, and the province copaying, along with the citizen, puts in \$12.9 million.

Mr. Speaker, over 836 air ambulance trips at a cost of 2.4 million.

Mr. Speaker, more than 253,000 diagnostic or therapeutic radiology services at a cost of 9.3 million.

Listen to this: 118,000 ultrasounds at a cost of 8.3 million; 48,000 CT (computerized tomography) scans at a cost of 5.5 million. And, Mr. Speaker, last year the numbers of people that saw MRIs (magnetic resonance imaging) increased by 73 per cent.

Here's another interesting figure — 400,000 immunizations for children and adults at a cost of 3.9 million; plus, Mr. Speaker, thousands of other services such as screening for breast cancer across Saskatchewan, and tuberculosis, prenatal care, public health inspections, occupational and speech therapy, hearing services, nutrition counselling, health promotion, health research, and the list goes on.

That's where our \$1.97 billion goes, Mr. Speaker — to basically hundreds of thousands of services to the people of our province.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, I think we have a lot to be proud of in our health system. We have an excellent team of health care providers across the province, who provide a wide range of these vital services — and, Mr. Speaker, at no cost. Our citizens are among the healthiest in the world. I'm proud of our government's investment in health care, and the additional support that we've provided to our citizens year after year.

At the same time, Mr. Speaker, I recognize that we can't be blinded by these successes. I recognize that this level of growth cannot go on forever, and in order to sustain our health system we depend on in this province, we need to look carefully at how we could adapt into the future. Members of this House will be aware that rising costs and utilization in our health system pose a significant problem. And while this budget continues to support the excellent care that we've all become accustomed to, it also underscores the need for change in how we look at health services.

I've talked a great deal, Mr. Speaker, lately, about the crossroads that we're approaching. We've reached the point where we need to have a discussion. We can no longer sustain the kind of rapid growth in health spending — true, given the lack of adequate support from our federal government in Ottawa.

Health ministers, Mr. Speaker, from across this country, have made the point to our federal minister, Mr. Rock. We did so before the federal budget. We did so after the federal budget. We did so in Montreal when we met as colleagues, as provinces and territories, and we did again last week when we met with Mr. Rock in Markham, Ontario.

We told Minister Rock that his federal budget fell short of what we were expecting. We told him that the federal government has not come close to replacing the \$6 billion a year it took out of the system between 1995 and 1997. We told him that the federal share of health spending has fallen from 50 cents on the dollar in 1977 to a mere 13 cents on the dollar today. We told him that the provinces need to see cash on the dash to sustain our present health system.

Mr. Speaker, members of this House know full well about the rising costs we face in health. Over the past few years our government has backfilled every single dollar taken out by Ottawa.

And in addition, Mr. Speaker, we've added additional funding for health, an extra half billion dollars a year as of this budget. We've done so, Mr. Speaker, to keep up with the growing cost of new drugs that benefit our citizens. We've done so to pay for expensive technologies, like new MRIs in Saskatoon and Regina, like a mobile CAT scan that goes between the cities of Moose Jaw and Swift Current. And we've done all of this to help our health providers diagnose and treat illness. We've done so to provide fair wages and benefits for our health workers. And in a market where we're competing to attract registered nurses, licensed practical nurses, physiotherapists, doctors, and others, this has become a major cost driver.

The simple truth, Mr. Speaker, is we cannot maintain this rate of growth. We're already spending in the range of 40 per cent of our program funding on health. We're not able to support

double-digit increases to health spending like the 11 per cent that we provided last year. Nor are we prepared to see our publicly funded health system dismantled.

Let me say very clearly, Mr. Speaker, that privatization and private hospitals are not the answer. Mr. Speaker, to protect medicare we have to keep it affordable. The health system we have will continue to adapt to present-day realities.

I remember, Mr. Speaker, as a nine-year-old girl growing up in rural Saskatchewan, the emotional battle over the introduction of medicare in 1962. I remember the then premier, Woodrow Lloyd, who was the MLA for the constituency of Biggar, the place where my family came from, about his conviction, his belief in that publicly funded health care was the right thing to do.

(2200)

Even then however he knew, and as the CCF knew, that his government was only introducing phase one of the medicare plan. He knew the second phase, the more difficult one, would be to reorganize the delivery of our services to provide the kind of care our citizens need in a more innovative way.

Mr. Speaker, we began that phase some eight years ago. And progress has been made thanks to the efforts of people across this province whether they're health providers, physicians, district staff, volunteers, and health board members. But we need to do more.

We need to continue to focus on our original goals — the prevention of illness and injury; delivering health services in community settings whenever appropriate instead of relying so heavily on hospitals and nursing homes; promoting community involvement. After eight years, we still have some changes ahead of us. This budget, Mr. Speaker, will drive some of those changes.

This budget will challenge all of us in health care to work together, to ensure sustainable publicly funded health care that ensures appropriate access to care. This is not a time to grasp at the past and the old ways of thinking. This is a time to look forward, to adapt to the realities of the future.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, members of this House will know that we've devoted an additional \$150 million of one-time money in this year's health budget to support these changes. And let me be clear, the Saskatchewan health transition fund is one-time money. It is meant to help us make the transition to a more sustainable health system and support innovation in the delivery of health services.

And we've already earmarked some of that money, Mr. Speaker, to some immediate priorities. First, we're going to address the issues identified in the external review of the Regina District. And given that the findings with respect to tertiary care in Regina also apply to Saskatoon, we're providing additional funding to those two districts.

Second, we'll be directing some one-time funds toward capital

equipment purchases in Regina and Saskatoon, and Saskatchewan's cancer agency. We've heard that the need for new equipment and technology across the province is a priority, and these funds won't meet all of the needs but they're a good start.

The remainder of the Saskatchewan health transition fund will support innovation. The final allocation will depend on what is needed to ensure long-term sustainability in our health system. Mr. Speaker, our government has been considering very carefully how do we determine this. We've talked about the need for a broad review of what we want our health system to look like in the future.

I believe, Mr. Speaker, that we need to have a public dialogue, a dialogue at the national level because this is a national issue. In recent weeks, Mr. Speaker, I have sought to impress this on my colleagues from across the country, including the federal minister, Mr. Rock.

And if we are unable to spark some action at the national level, then we will have to take the lead ourselves. We did so in 1962 when our citizens introduced North America's first publicly funded health system. We did so in 1993 when we introduced phase II of medicare. And in a nation looking for a way to make our publicly funded health system sustainable for the future, we can do it again, Mr. Speaker, and we will once again lead the way.

Some Hon. Members: Hear, hear!

Hon. Ms. Atkinson: — Mr. Speaker, this will not be an easy task. We are going to look to all of our partners in health care and to all members of this House to help engage the public to find real solutions. We need to go beyond a narrow audit of the system to take a look at broad questions about what kind of health care do we want. There's more money needed for health care and where should it come from? Does more spending always lead to better health, particularly if those dollars come at the expense of other important government services.

What kinds of care can we appropriately provide in our province, in our tertiary centres, in our regional centres, and in our rural communities? And who should deliver that care, Mr. Speaker? And are there more effective and efficient ways to deliver the care that's needed?

If we want to preserve publicly funded health care for our children, these are the questions that will need to be addressed. And this budget will provide both the support and the impetus to move forward on these deliberations.

In the meantime, Mr. Speaker, the government will be asking districts to make plans for innovation. We'll be working closely with districts to ensure that they can meet the needs of their residents within their means.

Members of this House will know, Mr. Speaker, that we saw a dramatic increase in health district deficits this past year. We will not allow health care to be put at risk by allowing further increases to these deficits. I've committed, Mr. Speaker, to working with districts to carefully manage change and to ensure appropriate access to health care for all citizens across our

province.

We have a very large challenge ahead of us in this province and across Canada. But we also have some very real opportunities — an opportunity for innovation, an opportunity to renew our vision of medicare going into the 21st century. We have an opportunity to protect publicly funded health care and to lead the country in making it adaptable and sustainable into the future.

Forty years ago, it was our province, our citizens, that led the country in defining a system of medicare that could provide vital health care to all of our citizens regardless of their means. It was a gift to the nation that today still defines who we are as Canadians. Now we need to work together to lead a pan-Canadian debate to help redefine medicare to ensure its survival into the future. This budget will begin to assist us in that dialogue while ensuring the continuation of quality services for the people across this province.

With that, Mr. Speaker, I move that this House do now adjourn.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly adjourned at 10:08 p.m.

