

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I stand today to present petitions on behalf of Saskatchewan citizens who are opposed to the forced amalgamation of municipalities in our province. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to urge the Government of Saskatchewan to reject proposals of any forced amalgamation of municipalities.

And the signatories on this petition, Mr. Speaker, are from Guernsey, Humboldt, Watrous, Tway, Meadow Lake, St. Benedict, and Pilger.

I so present.

**Ms. Draude:** — Thank you, Mr. Speaker. I also have a petition today to reduce fuel tax by 10 cents a litre.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel tax by 10 cents a litre, cost shared by both levels of government.

The people that have signed this petition are from Spalding, Wadena, Rose Valley, Naicam, and Kelvington.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. I rise as well on behalf of citizens concerned about the high cost of fuel. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, cost shared by both levels of government.

Signatures on this petition, Mr. Speaker, are from Weyburn, Melfort, and Saskatoon.

I so present.

**Mr. Toth:** — Thank you, Mr. Speaker. As well to present a petition. The petition that I'm presenting deals with the fuel tax. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents a litre, costs shared by both levels of government.

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

Mr. Speaker, the petition I'm presenting today is signed by

individuals from the communities of Star City and Melfort.

**Mr. Peters:** — Mr. Speaker, I also rise on behalf of the high-cost fuel and the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce fuel taxes by 10 cents per litre, cost shared by both levels of government.

And my petition is signed from people from Melfort and Star City.

I so present.

**Mr. Wall:** — Mr. Speaker, I once again rise in the Assembly on behalf of people in Swift Current who are concerned for their hospital, even more so now that their generator went out last night, Mr. Speaker. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to assist in the regeneration plan for the Swift Current Regional Hospital by providing approximately \$7.54 million and thereby allowing the Swift Current District Health Board the opportunity to provide improved health care services.

Mr. Speaker, this petition is signed by people in the city of Swift Current.

I so present.

**Ms. Harpauer:** — Mr. Speaker, I have a petition of concerned citizens against forced amalgamation. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to reject any proposals regarding the forced amalgamation of municipalities.

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

Thank you, Mr. Speaker.

**Mr. Wiberg:** — Mr. Speaker, I have a petition this afternoon in regards to fuel tax reductions of the province of Saskatchewan.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the federal and provincial governments to immediately reduce the fuel tax by 10 cents a litre, cost shared by both levels of government.

And as in duty bound, your petitioners humbly pray.

I so present.

**READING AND RECEIVING PETITIONS**

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

Petitions pertaining to the Blaine Lake Medical Clinic, the amalgamation of municipalities, the Swift Current Regional Hospital, and finally, the reduction of fuel taxes.

#### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Hermanson:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Finance: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Ms. Draude:** — Mr. Speaker, I also have a question. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Education: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

And if I may, I have a second question. I give notice that I shall on day no. 22 ask the government the following question:

To the minister responsible for the Women's Secretariat: please detail all programs and services in your budget that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Gantefoer:** — Mr. Speaker, I give notice that I shall on day no. 22 ask the government the following question:

To the Minister responsible for Seniors: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

And on day no. 22, while I'm on my feet, Mr. Speaker, a similar question to the Minister of Health.

**Mr. Elhard:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Highways: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

Thank you, Mr. Speaker.

**Mr. Heppner:** — Thank you, Mr. Speaker. In an effort to keep this government open and accessible and transparent, I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of CIC: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

And while I'm on my feet, Mr. Speaker, I also give notice of motion for the first reading of a Bill and I give notice that I shall on Monday next move first reading of The Automobile Accident Insurance Amendment Act, 2000.

I so present.

**Mr. Toth:** — Thank you, Mr. Speaker. As well to give notice of question, I give notice that I shall on day no. 22 ask the government the following question and this one is:

To the Minister of Social Services: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Peters:** — Thank you, Mr. Speaker. I shall give notice on day no. 22 to ask the government the following question:

To the Minister of Saskatchewan Property Management: please give a detail of all programs and services in your department that were eliminated or reduced as the result of the 2000-2001 budget.

I so present.

**Ms. Eagles:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister responsible for Saskatchewan Liquor and Gaming: please detail all program and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

Thank you.

**Mr. Wall:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Justice: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Ms. Bakken:** — Mr. Speaker, I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Intergovernmental and Aboriginal Affairs: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Agriculture and Food: please detail any programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Weekes:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day 22 ask the government the following question:

To the Minister responsible for Disability Issues: please detail all programs and services in your department that were eliminated or reduced as the result of the 2000-2001 budget.

And, Mr. Speaker, also I give notice that I shall on day no. 22

ask the government the following question:

To the Minister of Labour: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

Thank you.

**Mr. Brkich:** — Mr. Speaker, I give notice that I shall on day no. 22 ask the government the following question:

To the Minister responsible for Sask Water: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Wakefield:** — Mr. Speaker, I give notice that I shall on day 22 ask the government the following question:

To the Minister of Economic Development: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Wiberg:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Northern Affairs: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Hart:** — Mr. Speaker, I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Post-Secondary Education and Skills Training: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Stewart:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Energy and Mines: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

**Mr. Kwiatkowski:** — Thank you, Mr. Speaker. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Environment: please detail all programs and services in your department that were eliminated or reduced as a result of the 2000-2001 budget.

Thank you, Mr. Speaker.

#### INTRODUCTION OF GUESTS

**Hon. Ms. MacKinnon:** — Thank you very much, Mr. Speaker. Mr. Speaker, I would like to introduce to the Assembly two very special guests who are seated in your gallery, John Penner and his wife Jo.

John had a very distinguished career as minister of Energy,

minister of Crown Investments Corporation, and an absolutely spectacular associate minister of Finance.

So please welcome these two guests.

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

**Ms. Draude:** — I'm delighted to stand in the Assembly today to welcome through you to all the members, four people from my constituency: Connie Anderson, Noreen Peterson, Merv Osterlen, and Don Connell. They came from Rose Valley today. We had a meeting with the Minister of Municipal Affairs; concerned about the well being of the community of Rose Valley. And I'd like everyone to welcome them to the Assembly.

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

**Hon. Mr. Hillson:** — Thank you, Mr. Speaker. We are honoured this afternoon to have with us two members of the House of Commons in Ottawa. I would ask them to kindly stand while I introduce them. They are Claude Bachand of the constituency of Saint Jean, and Monique Guay of Laurentides. It is my hope that they are enjoying their visit to this legislature and to our province, and I would ask all members to join with me in a warm welcome to Saskatchewan.

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

**Ms. Bakken:** — Thank you, Mr. Speaker. I would like to introduce to you and through you, special guests here today, Dell and Mary Halbert, who are farmers in the Weyburn-Griffin area. Mary is a long-time political activist and her husband, Dell, has the honour of being a member of the Saskatchewan Baseball Hall of Fame. He played with the great Griffin Club baseball team. And they are seated in your gallery and I'd like the Assembly to help me welcome them.

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

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. It's not often that members of the Assembly could complain about the noise coming from the gallery but I'm afraid if I don't do this introduction pretty quickly, we all will be doing that.

I'd like to, first of all, say that when I was first elected in 1991 many of the members here would not know that — the recently elected members, I should say — wouldn't know that I wasn't married and I didn't think I'd ever introduce a guest, but certainly I did not . . . introduce my wife, but certainly I did not think I'd be introducing a son in the gallery from this position.

And I would like to ask all members to join with me in welcoming my wife, Virginia Wilkinson, and my son, Mayson Clark Sonntag, to the Assembly for the very first time today. And they're seated in your gallery, Mr. Speaker.

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

**Hon. Mr. Sonntag:** — And while I'm on my feet, Mr. Speaker, seated beside my wife as well, I'd like to ask members to welcome from my constituency Russell and Cathy Nelson. Russell is the fire chief in Meadow Lake and he's down for the

next several days, I believe, at the firefighters' convention here in Regina. Please join me in welcoming them to the Assembly as well.

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

**Mr. Wall:** — Thank you, Mr. Speaker. I'd just to join with the Minister of Economic and Co-operative Development in welcoming John and Jo Penner to the Assembly. Certainly a great many people in Swift Current would agree that Mr. Penner's service here was distinguished. But the legislature's loss, Mr. Speaker, is Swift Current's gain as Mr. Penner is back involved in Rotary; he's a president of that club.

He's also actively involved in Dr. Noble Irwin Health Care Foundation raising money for health care in our community. And I'd just like to join with the minister in welcoming him here to the legislature.

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

**Hon. Ms. Hamilton:** — Thank you, Mr. Speaker. I've just been doubly blessed today that I'm able to introduce through you and to you to all members of the Assembly, first, a group who were here with us earlier today in the legislature treating us to the music of the bagpipes, and to the Regina Highland Dancers and their dancing skills.

I rise to ask all members to welcome the guests in your gallery. They're members of the Sons of Scotland Benevolent Association and they're here commemorating Tartan Day. I have a list of some of the members and I'll name them and they can stand and be recognized. I don't have the complete list, but I'll know you'll want to also welcome everyone warmly.

With us is Worthy Chief Danny McKay, Murray Kyle, Ian and Doreen Mentiplay, Mick Brown, and Bob Nichols. Also there, someone I was able to visit with a bit earlier, is Ian McLeish, who reminded me that the message that was found in the bottle of the Legislative Assembly was written to us from the past by a John McLeish. And so Ian is here as well, and a number of other people who came to help us commemorate and celebrate Tartan Day.

And I ask all members to join in giving them a very warm welcome.

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

**Hon. Ms. Hamilton:** — Rushing away from the celebration I was able to then meet with 24 grade . . . 24 grade 4 students that are seated in the west gallery. They're here from the constituency . . . they're from the Balgonie Elementary School, Mr. Speaker, and they're here with teachers Deidre Mallett and Barb Lawrence.

They had excellent questions of a member of the Assembly. And, Mr. Speaker, I was so pleased to see how enthusiastic and excited they were to be here. I did give them an explanation of all of the boisterous exuberance that will occur during question period. They'll leave us to go on a tour following question period.

And I ask all members to give them a warm welcome.

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

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to join with the hon. member opposite to welcome the sons of Scottish benevolent society to our legislature here this afternoon on, on a very important day for them on Tartan Day here in the province of Saskatchewan. And on behalf of the official opposition, we'd like to join with them and welcome them to the Assembly.

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

**Hon. Mr. Axworthy:** — Mr. Speaker, I'd like to join my colleague, the Minister of Intergovernmental and Aboriginal Affairs, and welcome my two former colleagues from the House of Commons — M. Claude Bachand and my friend, Mme. Monique Guay. Welcome.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. And I would also extend on behalf of the opposition in Saskatchewan a warm welcome to our province to my two former colleagues in the House of Commons. I know from firsthand experience how hard every Member of Parliament works. Although we don't always agree, it is good to see Members of Parliament coming to Saskatchewan from other provinces, and we wish them a very warm stay in our province. Thank you.

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

## STATEMENTS BY MEMBERS

### Two New Schools in Saskatoon

**Ms. Jones:** — Thank you, Mr. Speaker. Yesterday, the Minister of Education and I were pleased to announce the construction of two new schools in my constituency of Saskatoon Meewasin — one public and one separate.

I campaigned for them in September, Mr. Speaker, and here they are. The Silverspring community is one of Saskatoon's fastest-growing areas and needs these schools. Saskatchewan Education will provide \$200,000 for initial planning and design work which will begin immediately. The goal is for the schools to open in the 2001-2002 school year.

The creation of the Centenary Capital Fund in the provincial budget makes this early date possible. The fund provides \$5 million in each of the next four years for school projects. In fact, the provincial budget contains a total of 29.2 million in financial support for school capital projects.

Saskatchewan Education and the school divisions will share the cost of the two new schools, estimated to be 11 million. Together the schools will provide space for more than 600 students from kindergarten to grade 8.

Mr. Speaker, I'd like to thank and congratulate the two school boards, the parent committee, and Saskatchewan Education for making this possible.

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

### Tartan Day

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, we heard earlier of course that today is Tartan Day in the legislature and in Saskatchewan. And it is with great pride and privilege that I had to bring forward the private members' Bill that established that day a few years ago in our province.

And I was pleased at the time to gain the government members' support for the piece of legislation in that it ultimately passed our legislature.

As you know, Mr. Speaker, the Scottish people of this province have made many contributions to not just Saskatchewan but indeed all of Canada. And to commemorate them on this very special day is indeed a privilege for myself and I'm sure all members of the legislature.

As someone who has a Scottish history, it is with great pride that I join with all members to congratulate the sons of the Scottish benevolent society on today, Tartan Day in Saskatchewan.

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

**Hon. Ms. Hamilton:** — Thank you, Mr. Speaker. A few years ago I saw a Cape Breton tourist magazine with one column listing recently deceased islanders. On the list were something like 25 McDonalds, many McIsaacs, a few MacLennans, MacLeods, MacPhails, and one Smith.

That list tells us all we need to know about the history of the influence of the Scots on the Maritimes and our country. But today we celebrate Tartan Day in Saskatchewan — a day proclaimed in 1992 in this legislature in honour and appreciation of Scottish clans in our province.

As was mentioned, the private members' Bill was introduced by the member from Kindersley and was enthusiastically supported by all members.

Those here with Scottish heritage might not be as pervasive as in the Maritimes, but their presence and their influence is appreciated and recognized. Individual Scots have contributed greatly — we need only to mention the name, Tommy Douglas.

Mr. Speaker, with the individuals and families from Scotland came their customs, their love of literature and the arts, their rigorous theology, and their games. What would Saskatchewan be in the winter without curling? And, Mr. Speaker, the Scots brought us haggis to eat once a year.

Mr. Speaker, we are a people of many sources, many roots, and we treasure them all. Today we celebrate one root, and in the words of Scottish poet, Robbie Burns, "May we be blessed with health and peace and sweet content."

Thank you, Mr. Speaker.

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

### Parking Problems

**Mr. D'Autremont:** — Thank you, Mr. Speaker. The member for Wood River now says he supports the Saskatchewan Party plan to cut the gas tax. Not that you would know it because when the vote was taken, he was busy moving his truck. Turns out he was parked in the wrong spot.

Mr. Speaker, for the last six months we in the Saskatchewan Party have been saying the Liberals have parked themselves in the wrong spot. And I know some of the members opposite would agree. For instance, I know the member for Saskatoon Southeast thinks there's a Liberal parked in her spot. The member for Coronation Park thinks the member for Melville is parked in his spot.

Mr. Speaker, I would suggest that the Minister of Justice would start enforcing the parking rules. But he's too busy trying to figure out how to get the Premier out of his parking spot.

Mr. Speaker, at least yesterday the Leader of the Official Opposition was able to get one Liberal punted from his parking spot.

Good luck to the rest of you.

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

### SaskTel Youth Initiatives

**Mr. Yates:** — Thank you, Mr. Speaker. I would like to inform the House that yet again another Saskatchewan company has received national recognition. SaskTel has received two prestigious national awards in acknowledgement of their involvement in the youth employment and education.

Canada's Top Employers of Youth Awards recognizes employers who hire youth and provide them with career-oriented opportunities. Entrants were judged on their success in creating structured career paths for youth, providing entrepreneurial support for youth, helping Aboriginal youth with careers, and expanding vocational, technical, and/or apprenticeship training for youth.

In particular, SaskTel was recognized for its co-operative education program, computers for schools program, Aboriginal program, and partnerships and youth scholarships.

The second award received by SaskTel was the National Partners in Education Award. This award recognizes Canadian businesses and education institutions that ensure youth develop relevant skills for their work world of today and tomorrow.

SaskTel and Scott Collegiate are recognized for their partnership. Scott is a Regina high school whose students are predominantly Aboriginal. The partnership provides skills development and support for students through actual workplace experience, awareness of available career options, and an opportunity to associate with adult role models.

Mr. Speaker, I'd like to congratulate SaskTel on their strong and devoted initiative to work with Saskatchewan youth and the community. Thank you.

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

### Carmel Youth Wins Wrestling Competition

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, today I'd like to recognize a talented young man from my constituency, from the small hamlet of Carmel, and this young man is Ryan Shedlosky.

Ryan, a grade 11 student at the Humboldt Collegiate Institute, is well known for his wrestling abilities. Last month he captured his second consecutive Saskatchewan Amateur Wrestling Association age class championship in Regina. Ryan was representing the Saskatoon Wrestling Club Hounds competing in the 50-kilogram class when he captured his gold medal. Last season he won the 46-kilogram class and the bantam division for the 14- and 15-year-olds, and in the juvenile division for the 16- and 17-year-olds.

This victory, Mr. Speaker, has allowed Ryan to represent Saskatchewan at the National Juvenile Championships being held this weekend in Abbotsford, BC (British Columbia). We wish you the very best of luck this weekend, Ryan. Thank you.

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

### Tax Concerns

**Mr. Wakefield:** — Thank you, Mr. Speaker. Last week as we know, the Minister of Finance delivered the first budget of the new century. Little did he know that this so-called historic budget would become so discredited by the people of Saskatchewan, and so fast. And is it any wonder.

Every day — the discovery of new hidden taxes, or fees, or a charge, or whatever the term the Premier decides to use when he wants to pick the pockets of Saskatchewan people.

And the editorial writers agree, Mr. Speaker. From the Lloydminster *Meridian Booster* comes the following, and this is from Lloydminster, Mr. Speaker, and I quote:

The promise of income tax cuts lose a lot of their appeal when Saskatchewan residents begin to realize how deeply the government is dipping into their other pockets.

Even Lloydminster's PST exemption won't be able to protect local residents from increased utility rates, the Premier's favourite hidden tax.

And the quote continues, Mr. Speaker:

At a time when the public is crying out for tax relief as quickly as possible the government has the audacity to produce a budget that is laced with many tax increases as (there is) tax cuts. Instead of real relief, Saskatchewan residents are going to feel the tax pinch first and that's . . .

Mr. Speaker, this is another example in the editorial board of a tax grab.

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

### Saskatoon Women of Distinction

**Hon. Ms. Atkinson:** — On Wednesday, March 29, the Saskatoon YWCA Women of Distinction awards was held in Saskatoon. I particularly wanted to attend this banquet because four of the 11 recipients are constituents. Unfortunately I was at a Health ministers' meeting in Ontario.

Our constituency has many notable and noteworthy individuals, but it's rare for four to be honoured on the same platform at the same time. Mr. Speaker, there were 23 outstanding women nominees in the 11 categories, each worthy of recognition, and our city is the richer for the contributions of all women who were recognized and nominated.

From my constituency, awards went to Rene Baxter, who was presented with a lifetime achievement award; Caroline Cottrell took the award for education and lifelong learning; and the arts award went to Kate Hobin; and Debbie Harksen for sports and fitness. Quite the neighbourhood we live in, Mr. Speaker.

Other award recipients were: Sylvia Cholodnuik for community development; the Saskatoon Women's Calendar Collective for culture and heritage; Mercy Arinze for the entrepreneur award; Sylvia Chorney for health, well-being, and spirituality; Elaine Shein for management; Eleanor Bonny for the young woman to watch; and Dr. Roxanne McKay in science, technology, and the environment.

My congratulations to all of them.

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

### ORAL QUESTIONS

#### Fees and Service Charges

**Mr. Hermanson:** — Thank you, Mr. Speaker, and my question is for the Minister of Finance. Over the past week, we found out a lot of things about your budget, Mr. Minister — new taxes, new fees if you prefer that term, new charges definitely. Now we find out the NDP (New Democratic Party) has a new accountability plan — hide all the bad news in the budget and see if the Saskatchewan Party can find it. That's the NDP equivalent of *Where's Waldo*.

Mr. Minister, it's time to stop playing games with Saskatchewan taxpayers. Will you table a complete list of all the fee and service charge increases you've hidden in the 2000 provincial budget?

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

**Hon. Mr. Cline:** — Well, Mr. Speaker, I welcome the opportunity to clarify some points that the opposition doesn't like to raise about the budget. And there appears to be some confusion on their part, Mr. Speaker. For example, there will be this year a net tax cut in Saskatchewan of \$44 million, Mr. Speaker.

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

**Hon. Mr. Cline:** — Because, Mr. Speaker, on July 1 of this

year the Saskatchewan flat tax is going to be cut in half. And I don't hear the opposition saying anything about that. So I would say to the Leader of the Opposition, why are you hiding the fact that we're going to get a tax cut this year? That's what I would ask him, Mr. Speaker.

And this budget, Mr. Speaker, represents the largest tax cut in Saskatchewan history and I don't hear the Leader of the Opposition talking about that. So I'd ask him again, why is he hiding the fact that this budget contains the largest tax cut in our history, Mr. Speaker?

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

**Mr. Hermanson:** — Mr. Speaker, will the Minister of Finance table a list of all the fee and service charges increases in this budget?

**Hon. Mr. Cline:** — Mr. Speaker, as the member knows, the members opposite have tabled written questions asking for all of those details from all of the departments and agencies and those answers are going to be tabled in this legislature. And then we're going to discuss the effect to the budget, Mr. Speaker.

But I want to say to the member opposite that I did neglect to mention in the budget speech that with respect to the sales tax it will not apply, Mr. Speaker, to repair parts used in farm implements and machinery. I neglected to mention that, Mr. Speaker. And it will not apply to repair services on farm implements. I neglected to mention that, Mr. Speaker.

It will not apply to veterinary fees, drugs, and medicines administered to farm livestock. I neglected to mention that, Mr. Speaker.

It will not apply to air compressors purchased for farm use or electric motors purchased for farm use. I neglected to mention that, Mr. Speaker.

It will not apply to books, Mr. Speaker, confections, or firewood. I neglected to mention those facts as well, Mr. Speaker.

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

**Mr. Hermanson:** — Mr. Speaker, the minister clearly stated, clearly stated in that answer that he will not tell the people of Saskatchewan the increases that are involved in this budget.

Mr. Speaker, another question for the minister. And this is important. The Supreme Court of Canada says that any government fee greater than the cost of the service for which it is charged is a tax.

But, Mr. Minister . . . but the Minister of Environment told this House just a few days ago, 70 per cent of the fees collected by his department go into the General Revenue Fund. That means that 70 per cent of the fees charged by the Department of Environment are actually taxes. The Supreme Court goes on to say that it's illegal unless you pass legislation entitling you to collect these new taxes.

So I ask the Minister of Finance: will you commit to table a list of all fees and charges levied by the provincial government and identify the cost of the service for which each fee is collected?

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

**Hon. Mr. Cline:** — Mr. Speaker, I already indicated to the Leader of the Opposition in answer to his last question that answers to the questions are going to be tabled in the legislature. So the question has been answered, Mr. Speaker, and the information is going to be tabled.

What the Minister of the Environment said the other day — which the Leader of the Opposition didn't give the complete statement — he said 30 per cent will go directly into environmental activities; the other 70 per cent into the General Revenue Fund. But, Mr. Speaker, it will go out of the General Revenue Fund back into the Department of Environment to do work with our fisheries and our parks and our environment and all those . . . (inaudible) . . . will be done to protect the environment, Mr. Speaker. That's where those fees are going.

But I want to say to the Leader of the Opposition that I find it curious, Mr. Speaker, that day after day he refuses to support in this House the abolition of the Saskatchewan flat tax. And he refuses to support the budget measure to take 55,000 low-income people off the tax rolls. And the reason, Mr. Speaker, because . . .

**The Speaker:** — Order, order. Hon. Leader of the Opposition.

**Mr. Hermanson:** — Well, Mr. Speaker, that interesting answer underscores why the Provincial Auditor questions the accounting measures of this government.

Mr. Speaker, I want to tell you that the province of Alberta reacted to the Supreme Court by freezing all government fees. Alberta then established a committee of MLAs (Member of the Legislative Assembly) and private sector representatives to review every fee levied by the province. The review identified which fees and charges were equivalent to the cost of service and which ones were simply tax grabs by the government.

Mr. Minister, today the Canadian Taxpayers Federation is calling for an immediate freeze on all government fees and increases until a comprehensive review can be completed. Will you do that, Mr. Minister? Will you freeze all government fee increases in your budget immediately? And will you establish that committee to look at the appropriateness of government fees and charges?

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

**Hon. Mr. Cline:** — Well I'll tell you what we will not do, Mr. Speaker. We will not do what the Leader of the Opposition does, which is to advocate a flat tax for the people of Saskatchewan. We're not going to do that, Mr. Speaker.

And the reality, Mr. Speaker, as was revealed in this House just yesterday, is that the members opposite are creating a lot of noise about the budget because they oppose the abolition of the Saskatchewan flat tax; they oppose taking 55,000 low-income people off of the income tax rolls.

And why do they oppose it, Mr. Speaker? You need only to look at their platform. They oppose it because they want a tax cut for their rich friends instead of a tax cut for the ordinary people of this province, Mr. Speaker. And we're not going to let them get away with that, Mr. Speaker.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. Well I would say to the Minister of Finance, if he was listening at all, that he would know that we agreed with Mr. Vicq's recommendations to de-link provincial income tax from the federal tax collected. But he doesn't pay attention. He doesn't listen to the people of Saskatchewan.

The stark contrast between Alberta and Saskatchewan could not be more clear. In Alberta, the government reacts to the Supreme Court decision by freezing fees and charges. In Saskatchewan, the NDP responds by increasing those fees. In Alberta, the government appoints a committee to review government fees. In Saskatchewan, the NDP doesn't even know how many fees they have and how much those fees are bringing in.

My question to the Minister of Finance is pretty simple. Will you agree to immediately freeze all government fees? Will you immediately release a list of all government fees and charges? And will you establish a committee of MLAs and private sector representatives to review all government fees? Will you do that for the people of Saskatchewan?

**Hon. Mr. Cline:** — Well, Mr. Speaker, the committee of . . . like there's a committee of the legislature which is called Committee of the Whole, which is going to examine all aspects of the budget, and all the estimates and line by line budgets of every department. And if the members opposite have some question about some fee, they should do their job in estimates and ask the questions.

But I say to the Leader of the Opposition, let's look at the big picture, Mr. Speaker, and the big picture is this. The big picture is that we . . .

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

**Hon. Mr. Cline:** — Mr. Speaker, we need to look at the big picture. And the big picture in this province is that we need to support a budget that contains a tax cut for ordinary people and low-income people; that eliminates the flat tax — cuts it in half July 1, eliminates it on January 1. And we need to reject the platform of the Saskatchewan Party which says that we should only have a tax cut for the rich. And we are not going to let them get away with that, Mr. Speaker.

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

#### Administration Costs in Government

**Mr. Wakefield:** — Mr. Speaker, my question is for the Minister of Finance. Mr. Speaker, every day since the provincial budget was delivered we have learned more and more about what costs have been hidden within this budget document.

But guess what? Something else this government hasn't told the

public is the administration budget is going up within the departments. Mr. Speaker, 11 out of the 16 government departments see an increase in administration costs. The average increase is six and a half per cent.

In this budget, Mr. Speaker, the Finance minister has allocated \$2.4 million more for administration.

Mr. Minister, please justify to the Saskatchewan public why the administration cost in government departments has gone up over 6 per cent.

**Hon. Mr. Cline:** — Well once again, Mr. Speaker, I would say to the member opposite that he will have an opportunity in estimates in this House to go over the administration budget of each and every department, Mr. Speaker. There's no problem with that.

But I want to say to the member opposite, having answered his question, that the member opposite earlier said something about picking the pockets of Saskatchewan people. And I want to say to the member opposite and to all members of the House, Mr. Speaker, that one thing we're not going to do is pick our children's pocket by running up a deficit and passing it on to the next generation the way they advocate when they advocate the kind of spending increases they advocate in this House, Mr. Speaker — which was \$1.2 billion in five days.

Mr. Speaker, you can fool some of the people some of the time, but the Saskatchewan people are not going to be fooled by a party that tries to be all things to all people and spends \$1.2 billion debt and deficit in five days, Mr. Speaker.

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

**Mr. Wakefield:** — Mr. Speaker, I think the real answer there got lost in the bureaucracy somewhere.

Mr. Speaker, the administration costs in the Department of Finance alone went up 16 per cent — 16 per cent. That's the largest, the largest increase in all of the government departments.

Mr. Minister, we are hearing from businesses who can't get a straight answer from the Finance department on this expanded PST. One person will tell them you must remit the PST; other ones will say, no, you don't. The Finance department also says that they don't compile fee structures or they don't review government fee structures.

Mr. Minister, why on earth does your department require 16 per cent increase in the administration budget?

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

**Hon. Mr. Cline:** — Well, Mr. Speaker, I've already advised the member that we're going to get into the details of every department in estimates and he can ask those detailed questions.

I also want to say that in terms of operational spending, Mr. Speaker, Saskatchewan spends about the least per capita of any government in Canada, Mr. Speaker.



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

**Hon. Mr. Cline:** — We have a very efficient government, unlike the governments that were run by the members opposite when they were in office.

But I want to say this, Mr. Speaker — the member talks about business asking questions about the PST — we don't have an 8 per cent PST like Conservative Ontario, Mr. Speaker. We don't have a 7 per cent PST like Manitoba. We don't have higher PSTs like the Tories do in the Maritimes, Mr. Speaker. I think New Brunswick, it would be 8 per cent; Prince Edward Island, 10 per cent.

Now that would be a real nightmare if we followed the policies of the members opposite, Mr. Speaker.

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

### First Nations Fund

**Ms. Eagles:** — Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs, Culture and Housing.

This morning our caucus met with the former Provincial Auditor. He once again expressed concern on a number of issues.

Mr. Minister, the Provincial Auditor has been requesting access to review and audit the First Nations fund for some time. Just a few days ago, a new gaming agreement between the provincial government and the First Nations was signed.

Mr. Minister, will this new agreement allow the Provincial Auditor access to fully and openly audit the First Nations fund?

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

**Hon. Ms. Hamilton:** — Thank you, Mr. Speaker. It is true that we did sign the extension of the original agreement that has been worked together in partnership with the Indian federation to allow for the proper control and regulation of gaming in this province.

That extension of the agreement contains three amendments, Mr. Speaker. The first one is to see consistent licensing across this province under the Criminal Code of Canada.

The second one is to see, as the casinos go on reserves, the development of community development co-operations that work with the local communities to provide, under the same rules as the original agreement, for monies to go back into local communities.

The third one is to see a new revenue-sharing split that was contemplated with the original agreement, Mr. Speaker, where thirty-seven and a half per cent of the monies will go to the General Revenue Fund, thirty-seven and a half per cent will go to the FNF fund (First Nations fund), and twenty-five per cent will go into the AEF (associate entities fund), Mr. Speaker.

**Ms. Eagles:** — Mr. Speaker, I would appreciate it if the minister would just touch on the question a bit. I assume that that answer

was a no. But the question here is . . . the issue here is accountability. The former Provincial Auditor says that there isn't any and we agree.

Madam Minister, what specific action are you taking to ensure the Provincial Auditor has full access to the records of the First Nations fund?

**Hon. Ms. Hamilton:** — Thank you, Mr. Speaker, and I thank the member opposite for her question. I believed she asked about the extension of a very positive working partnership with First Nation people.

When the original agreement was signed, it was stated within that agreement that the audited funds could . . . auditing of those funds could be done either by the Provincial Auditor or consistent with the Provincial Auditor's guidelines, a private auditing firm.

Those funds are totally audited by their private auditing firm. That information has been available. The chief of the Indian federation has said publicly he would publish those in every newspaper across the province if the members opposite needed that information, Mr. Speaker.

**Ms. Eagles:** — Thank you, Mr. Speaker. Again the question for the Minister of Municipal Affairs, and I am trying to be as direct as possible. Do you believe the Provincial Auditor, the Provincial Auditor should have access to the First Nations fund? And again, I stress the Provincial Auditor.

**Hon. Ms. Hamilton:** — Mr. Speaker, many departments here have audits conducted to their workings. As well, the agreement states that it could be a private auditor or the Provincial Auditor. They have chosen to have a private auditor look at their books and they put that forward in a public manner to anyone that wants to see those.

In the same way, Mr. Speaker, I'm trying to understand why that member would single out the First Nations of our province when she doesn't single out school boards or municipalities or any other third parties who get their monies from similar arrangements and have the ability to have private auditors look at their books.

We don't ask for them to submit that, Mr. Speaker. I'm wondering why she's asking for that to occur in this manner for our First Nation people.

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

### SGI Premiums

**Mr. Heppner:** — Thank you, Mr. Speaker. Well that was a rather bizarre set of answers we had when the Provincial Auditor himself specifically said he had some jurisdiction in that area and this socialist government wouldn't look at that. But the member over there, I guess, isn't aware of what the Provincial Auditor is saying or she would have addressed that.

Mr. Speaker, it's another day today and we have another hidden tax. Saskatchewan association of automobile repairers has written our caucus denouncing your massive tax grab contained

in this NDP budget. Much of the work done by body shops comes from SGI (Saskatchewan Government Insurance) insurance claims. About 60 per cent of the total repair cost is labour. That now, Mr. Speaker, is taxable.

And to the minister responsible for SGI. Mr. Minister, this morning in Crown Corp committee, SGI president, Larry Fogg, confirmed that added costs in the SGI field will be passed on to drivers.

**The Speaker:** — Order, order, order. I ask the member to please go directly to his question.

**Mr. Heppner:** — Mr. Minister, how much will SGI be forced to increase and hike their rates as a result of your PST tax grab. And that's to the minister responsible for SGI.

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

**Hon. Mr. Nilson:** — Mr. Speaker, as with all businesses within the province — and SGI is a business — they will be taking a look at how these taxes affect their operations. And my understanding that this tax will be one of quite a number of factors. But I do know that it's very clear that in the whole automobile repair industry — as it relates to the cost of insurance — the biggest issue is not a sales tax increase. The biggest issue is the fact that many of our new cars are built with larger parts, with parts that require much more repair for each piece that is fixed; and that, as a result, the concern is the cost of auto repair, not the cost of tax.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. Very interesting, we have a question on taxation and the minister in charge of SGI wants to talk about car parts. And obviously when he thinks the size of the part necessarily influences the cost, he's rather lost.

Mr. Minister, surely you must have been talking to the Minister of Finance prior to this budget. Hopefully you were . . . you were very disappointed. You knew that this tax hike was coming — at least we hope you do — and you knew that it would have a direct impact on the SGI repair claims. The minister says not a whole lot.

It's 6 per cent, Mr. Speaker, 6 per cent on those particular areas, directly. So if you were doing your job, Mr. Minister, you would have asked SGI to do an analysis of the impact on the Auto Paks bottom line. How much will rates be going up? Will you release that analysis today?

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

**Hon. Mr. Nilson:** — Mr. Speaker, the question that was answered . . . or asked right now is the same question that was asked this morning, as I understand, of the president of SGI.

And he indicated in dealing with all of the various costs, the increase in the personal sales tax is one part of it. And the biggest issue, and the biggest issue for that corporation is obviously the cost of repairs.

Now I think the very important thing to note is that when the Vicq report was looked at, there was a suggestion that there be personal sales tax placed on all insurance premiums. And that was clearly one thing that after much discussion was decided that we wouldn't do that. That type of a change would have had a dramatic effect on the consumers of the province and we decided not to do that.

I think it's extremely important that we recognize that SGI will deal with all of these issues and costs in the same way that other businesses in the province . . .

**The Speaker:** — Order.

**Mr. Heppner:** — Thank you, Mr. Speaker. It's amazing that this minister in charge of SGI is prepared to say because the 6 per cent doesn't cover 100 per cent of SGIs costs, it somehow doesn't count. Well I sure hope you can go ahead and tell the people of this particular province when they get their rate increases that somehow this doesn't count — so when they send that in . . .

Mr. Minister, did you do an analysis of the impact that that PST would have on the SGI auto fund's bottom line and on registration fees? If you did that analysis, would you release it today? And if you didn't, why not? What were you doing?

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

**Hon. Mr. Nilson:** — Mr. Speaker, to have a member stand up here and say that these kinds of things don't count to the people of the province is a very silly thing to say. Because practically what we know is that SGI has the lowest, if not the lowest or the second lowest rates for car repair in the province.

The net effect, the net effect of all of this is in Saskatchewan that we will continue to have a system of car rates, car insurance rates, that are very great.

Now to answer the specific question that the member asked, we know that the increase on the PST, on the auto fund will total about \$11 million, and that figure is the biggest . . .

**The Speaker:** — Order. Next question.

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

**Mr. Heppner:** — Thank you, Mr. Speaker. I would hope that he would table that information that he had and couldn't quite get through. But I do have a question, Mr. Speaker, for the Minister of Finance.

The Minister of Finance has his Regis tie on with the want to make a million. Unfortunately he has the impression with his budget that it meant want to take a million. I'm afraid he's got that all wrong.

Mr. Speaker, the question for the Minister of Finance is: auto body shops and vehicle repair shops now have to charge an extra 6 per cent on private transactions, not just SGI jobs. For all those auto body shops close to Alberta, you have just increased their cost to private repair transactions by 6 per cent.

So what's going to happen, you have driven that business into Alberta or into an underground economy. Mr. Minister, how can you justify this massive tax grab that will close down many Saskatchewan businesses?

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

**Hon. Mr. Lingenfelter:** — Mr. Speaker, Mr. Speaker . . .

**The Speaker:** — Order, order please. A question has been asked. Kindly allow the answer to be given.

**Hon. Mr. Lingenfelter:** — Mr. Speaker, if I could just respond to the member opposite who obviously knows very little about auto insurance here or in any other part of Canada, here or any other part of Canada.

In the budget document, which is not a secret document, it compares auto rates, insurance rates, for this year, for this year, in Saskatoon and in your favourite province of Calgary. That's what you're always comparing. Let me continue . . . (inaudible interjection) . . . well add 6 per cent to this number.

In Saskatchewan it's \$916; in Alberta \$1,700. Now even with 6 per cent, even with 6 per cent, my friend, you will get a much, much better deal right here in good old Saskatchewan.

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

## INTRODUCTION OF BILLS

### Bill No. 18 — The Public Employees Pension Plan Amendment Act, 2000

**Hon. Mr. Cline:** — Mr. Speaker, I move that Bill No. 18, The Public Employees Pension Plan Amendment Act, 2000, be now introduced and read the first time.

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

## ORDERS OF THE DAY

### COMMITTEE OF FINANCE

#### Motions for Interim Supply

**The Chair:** — Order. The first item of business before the Committee of Finance is that of interim supply. Before we start, I invite the . . . or before we get more formally going, I invite the minister to introduce his officials.

**Hon. Mr. Cline:** — Well thank you, Mr. Chair. I have with me today, beside me, Mr. Paul Boothe, the deputy minister of Finance; and on the other side of me, Kirk McGregor, who's the assistant deputy minister of taxation and intergovernmental affairs.

Behind Mr. Boothe is Mr. Terry Paton who's the Provincial Comptroller. Behind me is Mr. Glen Veikle who's the assistant deputy minister of the Treasury Board branch of the Department of Finance. And behind Mr. McGregor is Mr. Len Rog, who is the assistant deputy minister of the revenue

division of the Department of Finance.

And, Mr. Chair, if I may, I would like to move resolution no. 1 which reads:

That a sum not exceeding \$915.254 million be granted to Her Majesty on account for the 12 months ending March 31, 2001.

**Mr. Hermanson:** — Well thank you, Mr. Chair of Committees. And as the House knows, I am pinch-hitting for my colleague, the member for Canora-Pelly, who for health reasons is not able to be here. We are still pulling for him. Our thumbs up, of course, are for the hon. member who we want to see back in his chair very soon.

Nine hundred and fifteen million dollars, plus. A lot of money we're talking about here. I thank the minister for bringing his officials. I don't think he brought, at least he didn't introduce the member of his department who is responsible for communications, perhaps with good reason, because the communication of this budget has been an absolute disaster. I've seen quite a few budgets, both provincially and federally in my day, and never have I seen one communicated in a more devious or awkward way than the budget, Mr. Minister, that you brought forward.

The problem is of course that the communications do not fit the product, and the product is a tax grab and the communications is a tax cut. Now I recognize that there are proposed cuts down the way and that if you look at the whole, that there may be \$40 million savings when you balance off PST expansion versus personal income tax cuts. Of course that seems to be being gobbled up in areas by utility rates. The problem being the people of Saskatchewan have, if anything, less dollars in their pocket after your budget rather than more.

And now you're coming to this House and asking for some interim financing. And that causes us a great deal of concern because we're concerned that your management is not too good. And we're concerned that your communication has not been as forthright as it should be. In other words our evaluation is things are in a bit of a mess over there, and we will give you some opportunity now to try to clarify some of those problems.

First some general questions for the minister. We want to know a bit about your department, what amount is going to be spent in the Department of Finance if this interim supply Bill is passed. And would you be so kind as to tell us precisely, and I have to emphasize that word precisely, in what areas of the department these expenditures will be made. And we want to know what amount of revenue will be taken in by the government in this two-month period.

**Hon. Mr. Cline:** — I thank the Leader of the Opposition for the questions. And certainly I appreciate his advice with respect to management and how to manage things. I think I'll just leave it at this, Mr. Chair — most people looking at our record in terms of fiscal management versus the previous administration will know that in fact we've delivered seven balanced budgets in a row. And we're very . . . pretty good at fiscal management compared to the record we inherited, which was one of large deficits and debt that we're still paying for.

Mr. Speaker, I want to confirm for the Leader of the Opposition that he is in fact correct — that there will be some tax cuts this year, as he indicated. Specifically to answer his question, will there be tax cuts this year, yes.

Yes, the farm fuel rebate is retroactive to January 1, 2000, so farmers will enjoy a fuel tax cut. Also, Mr. Chair, there will be a PST rebate going out to people with incomes under \$35,000, commencing effective April 1, although the cheque for the period April to October will go out October 1.

And thirdly, this year we will have an income tax cut on July 1, which is the earliest date that you can have an income tax cut pursuant to agreement with the federal government, which will reduce the Saskatchewan flat tax from 2 per cent to 1 per cent. And I know that that's welcomed by most people in the province, even though for some reason the Leader of the Opposition is opposed to the abolition of the flat tax which follows on January 1.

Now to answer the Leader of the Opposition's question specifically — he asks how much money will the Department of Finance spend specifically in the two-month period — I would refer the Leader of the Opposition to the *Estimates*, which have been tabled with the budget, a copy of which of course the Leader of the Opposition is provided with by me on March 29.

The *Estimates* contain a line by line description of funding and spending by the Department of Finance, what the department will spend the money on. So all the specifics are there in the *Estimates*. And for the two-month period, I'm advised by the officials that we will spend approximately two months of the amount in the *Estimates*.

And with respect to the question on the revenue, to answer it specifically, I'm also advised that it's fair to assume that roughly — not exactly, but roughly — the revenue of the province comes in, in equal instalments on either a monthly, a twice a month, or a weekly basis, and that we can assume that in the next two months, the revenue of the province will be equivalent to one-sixth of our annual revenue.

In other words, there's nothing terribly different in terms of either the spending or the revenue for these next two months — we're dealing with April and May — than all of the months of the year, generally speaking. And as I said, the details of the expenditure is all line by line in the *Estimates*, and we'll in fact be going over that in the *Estimates* and I'll be very pleased to answer any detailed questions at that time from the Leader of the Opposition or any of his colleagues on the other side of the House.

**Mr. Hermanson:** — That was partly an answer, but it wasn't the entire answer. I was asking precisely what areas of the department these expenditures will be made and I believe that's why your officials are with you. I would hope that you could be a little more precise on that, and also the question is what amount of revenue will be taken in by the government in this two-month period. I'm not sure that we have those numbers.

We do have numbers here in front of us indicating that the estimates for your department in the 2000-2001 budget is

201.352 million less statutory amounts. The amount to be voted is 101-million-and-some-odd, and two-twelfths interim supply is 16.935 million. Is that what you were referring to? We'd like you to clarify that.

Just to clarify for the minister because he has yet not seemed to understand this one point. The Saskatchewan Party did respond officially to the Vicq report, and our response was to implement the income tax cuts as proposed by Mr. Vicq.

The minister maybe has not heard that, but that was . . . there was press release. I'm sure that his department should have seen that press release. So that would have meant the elimination of the flat tax and all those other add-on taxes if you in fact decouple from the federal government, which we agreed should be done. So I just want the minister to be very clear so he doesn't misinform the House in the future.

As to deficits in the past which he also referred to, I would remind the minister that I have publicly been opposed to deficits of past governments, including the Blakeney government, and including deficits in the early . . . his early administration. But we have to make it clear that his party, during the '80s, was advocating more government spending.

He seems to forget that that was actuality, that was fact, that we could go through a number of newspaper articles and statements here in the Legislative Assembly to show that while the government of the day was overspending, his party, in opposition, was calling for even more spending and greater deficits.

And so I would just encourage the Finance minister to be more forthcoming with his evaluation of what happened in the '80s. Not to absolve those who brought upon far more debt than we should have seen in this province — and we agree with that; we certainly agree with that — but also to acknowledge that his party was calling for even greater debts.

A couple of more questions for the minister and his officials, plus the clarification of those other two items. In the Department of Finance, can you provide us with a list of the government fees and other charges that will be used to collect revenue over this two-month period, and can you provide us with a schedule of all fees and charges in the department?

And then thirdly, can you tell us which of these charges or fees have gone up as result of the budget and therefore will collect more revenue during this two-month period. And I want your answer confined to the two-month period that we're talking about as far as interim supply is concerned.

**Hon. Mr. Cline:** — Yes, well thank you, Mr. Speaker. I do appreciate the efforts of the Leader of the Opposition to clarify the position of the opposition with respect to the flat tax. I suppose the source of my confusion about their position is that, first of all, their platform in the election did not call for the elimination of the flat tax and did not call for tax relief for low-income people.

It called, in fact, Mr. Chair, for a simple reduction which would result in a very large tax cut for the rich, but very little for ordinary people. And so the Leader of the Opposition says that

I've misinformed somebody. The source of my misinformation would be the platform of the party led by the Leader of the Opposition.

But having said that, I want to also point out to the Leader of the Opposition that we had an opportunity in the Legislative Chamber just yesterday to vote on the abolition of the flat tax and taking 55,000 low-income people off of the taxation rolls. And while the members on this side of the House voted in favour of the abolition of the flat tax and tax relief for ordinary people and low-income people, the Leader of the Opposition and the members opposite voted against that, Mr. Speaker. And nobody has to take my word for it; it's on the public record.

(1445)

But let me say also, in response to the Leader of the Opposition, that he refers to not liking deficits and debts and somehow referred to the government of Mr. Blakeney. Well that's going back 20 years, Mr. Speaker, but I want to say that Mr. Blakeney introduced 11 balanced budgets in a row. Mr. Blakeney did not run deficits, Mr. Chair.

And if the Leader of the Opposition is under the impression that Mr. Blakeney ran deficits, then I would beg to differ. And I'd like to point out to the Leader of the Opposition that Mr. Blakeney did not run deficits. And I hope that he finds that information helpful because I offer that information only in the spirit of wanting to be as helpful as I can in providing information to the Leader of the Opposition who is new to this House.

But in answer to the question, I want to say I think the Leader of the Opposition has correctly gone through the numbers himself with respect to the statutory and funds to be voted in the Department of Finance for the two-month period.

And I would simply say to the Leader of the Opposition that there is detailed information about the revenues that will be collected through the Department of Finance. Those appear in the statement of revenue that are in the budget address which has been tabled in the legislature and, Mr. Chair, was provided to the Leader of the Opposition of course on budget day.

And as I said, the advice I have from my officials is that the amount that we would collect in the next two-month period would roughly be two-twelfths of the revenue that we expect to receive over the 12-month period of the fiscal year. And those amounts are fully detailed in the statement of revenue.

If the Leader of the Opposition would like to refer specifically to any part of the statement of revenue and ask questions about that, then he may do so. But the information is there, and there's information in the estimates as well.

**Mr. Hermanson:** — Thank you, Mr. Chairman. Boy oh boy, this is going to take longer than I thought it was because we're not getting answers to our questions.

You obviously keep telling us to refer to your own documents, and yet when we look in your documents, we don't see some of the fee increases that have been uncovered over the last few days. We don't see the increase in fishing licences and other

hunting fees and . . . It's not there. It's not listed.

And so that's why we're asking you, when you have your cadre of assistants and department officials with you, to enlighten us. And so, you know, we would really appreciate it if we could get some more specific answers than you're providing in your documents.

And, you know, just again to set the record straight, you talk about the Blakeney government. And we just can't let you go unchallenged because this needs to be made aware that the Blakeney government, while in the General Revenue Fund may have claimed to be balancing their budgets, were passing on the deficits to the Crowns and to the teachers' unfunded pension. The total of which was over \$6 billion.

So it's all a matter of accounting. And I think you know that and I know that. All governments — and I'm not pointing a finger solely at the NDP — all governments, Mr. Chairman, were guilty in the '70s and the '80s — the federal government, all provincial governments — of spending and mortgaging their children's future.

I think we all recognize that has to stop. So I mean you're no more pure at pointing your finger at us or anyone else than pointing that finger at yourselves. And so let's call a spade a spade, Mr. Minister.

I would say through the chairman to the minister, that as far as his explanation of how we voted against the elimination of the flat tax because we voted against the budget, of course, is a bit of political rhetoric. He'd have to admit that. We made it very clear the reason why we voted against the budget. It was because you expanded the PST which we were publicly opposed to. That was why we voted against the budget.

And I might even add on the income tax side, Mr. Vicq recommended that basic personal exemptions be higher than your budget indicating those exemptions will be. So in fact you're not even bringing forward the amount of income tax cuts that were recommended by Mr. Vicq and which we of course publicly agree with. So let's call a spade a spade when we're analyzing our position and your position.

Now through the chairman to the minister and his officials, and please if you could be a little more specific it would certainly be helpful, as a result of your budget can you tell us which programs or services in a department have been eliminated or reduced? It's just not written here in your book for us to read. So would you tell us that?

**Hon. Mr. Cline:** — Mr. Speaker, I thank the Leader of the Opposition for his questions. I don't think I'll say much more about the record of Mr. Blakeney, because I think the record of Mr. Blakeney is well known to Saskatchewan people and speaks for itself. I think Mr. Blakeney is quite well respected all across the province and his contributions are very much appreciated.

Having said that, I want to say, Mr. Chair, simply that the difficulty with the position of the Leader of the Opposition, and perhaps the reason why I have trouble understanding why it would make sense, is that I believe that the kind of tax cutting

and the kind of spending that is being advocated by the opposition would lead us into deficit and debt. And the member of the . . . the Leader of the Opposition says that he doesn't like deficits and debt and I would simply say neither do I. And so let's stop talking about tax plans and program spending that would lead us into deficit and debt.

And that's the difference between the members over there and the members over here. We believe in balanced budgets, and we want to continue presenting a balanced budget, even over the opposition of the members opposite.

But I want to say also the Leader of the Opposition referred to the fact that the tax credits are lower than Mr. Vicq recommended, that is the 8,000 versus \$8,500 exemption — and that's true. But what we did instead was not to expand the PST as broadly as Mr. Vicq recommended, hence the adjustment to the credits. And we decided, Mr. Chair, to more than double the amount of the PST rebate to low-income people, which also makes a difference.

And I would just say to the Leader of the Opposition that Professor Vicq himself, when asked for his response to the package we came up with for tax cuts, said I would give the budget an 85 per cent. Now that's what Professor Vicq said. So he doesn't have any problem with the package that we came up with. He gives it, he gives it an A, and I'll settle for that. And I only wish the Leader of the Opposition was as supportive of cutting taxes as Professor Vicq and many other citizens are.

In answer to the specific question that the Leader of the Opposition also asks, which is do we have — I believe it's do we have programs being eliminated in the Department of Finance? The answer is no, we do not have programs being eliminated in the Department of Finance.

**Mr. Hermanson:** — Thank you, Mr. Chairman. Just one very short question and I'd appreciate a short answer to this. If in your budget you were not . . . you left the PST as is, would your revenues have been \$160 million less than you projected in this budget? And had you taken another \$160 million out of the liquor and gaming fund and applied it to program expenses, would your budget still have been balanced?

**Hon. Mr. Cline:** — In answer to the question, the answer is yes, if we had not expanded the PST, then the revenues would in fact be \$160 million less. And the second part of the question, well could you take that out of the accumulated revenue of government that was used to be in the liquor and gaming fund — the answer to that also would be yes, you could.

The budget would be balanced this year but the difficulty would be that you would be building in spending that would occur this year and each year thereafter from one-time funds, because once you take your accumulated revenue and spend it, it's gone. And therefore you would not have a deficit this year but in the . . . a few years later you would go into deficit which of course would then increase the debt of the province, and that's the problem we have.

And that's the fundamental difference between the position of the Leader of the Opposition, Mr. Chair, and the government, is

that we do not want to spend more money than we really have, and we do not want to go into deficit and debt.

**Mr. Hermanson:** — Mr. Chair, in making that statement are you calculating that based on your earlier projections that the liquor and gaming fund would have \$348 million in it? Are you making that — I'm taking about the long-term outcome — are you making that speculation on the fact that your liquor and gaming fund had reached almost \$700 million?

**Hon. Mr. Cline:** — We're taking into account, Mr. Chair, all of the money that was accumulated in the liquor and gaming fund. And my answer stands that we want to avoid deficit and debt for the reasons I've indicated, and we're going to avoid it for the reasons indicated.

And the four-year projection is set out in the budget which the member opposite has. He can see what the projection is, what the surpluses are, and I'll leave the answer at that. I think that clearly answers the question.

**Mr. Hermanson:** — Mr. Chair, thank you, Minister, for that answer, but I'm not sure that's coming to the people of Saskatchewan. Because I guess that would mean then, Mr. Minister, that on the long term, if Alberta, the Minister of Finance there continues to lower income taxes, you won't be able to keep up. In fact the gap would increase.

So are you admitting then that if Alberta's projections are correct and they will drop their income tax rates to below that 11 per cent flat rate that they're talking about, even to the possible elimination of personal income taxes, that we are locked into an economy in Saskatchewan that we are going to have to maintain the PST at high levels and not be able to reduce income tax in light of what they're going to do in Alberta; are you admitting defeat in this fight?

**Hon. Mr. Cline:** — Well certainly not. Absolutely not, Mr. Chair. And I find this very curious because day after day the Leader of the Opposition and his colleagues say, oh, how awful it is that tax cuts aren't occurring in Saskatchewan today but won't start for three months from now. But the system that Alberta is bringing in that the Leader of the Opposition is referring to doesn't come in until January 1, 2001, Mr. Chair. That's when Alberta will go to their flat tax system.

And yet, we don't hear the Leader of the Opposition and his colleagues saying how horrible the Government of Alberta is for implementing their system on January 1, 2001, Mr. Chair. We don't hear that. And even though we're actually cutting our taxes this year — nor do they talk about that — they somehow want to pretend that Alberta is doing something sooner than we are when they're not.

But I want to say to the member opposite as well that this talk of elimination of the income tax in Alberta has also been coupled with talk by officials and politicians in the Alberta government of going to a consumption tax which they haven't had heretofore in Alberta.

And so I think you have to be very careful what you're talking about when you're talking about what is being proposed in Alberta, because this is actually something that the members

opposite have claimed not to be in favour of. And I think the Leader of the Opposition might want to study the budgetary situation in Alberta this year and in the out years in some detail and be sure that he understands exactly what's being proposed.

But I simply repeat again that the Alberta system comes in on January 1, 2001, and there's a very good reason for that. That's the earliest that we're allowed — either Alberta or Saskatchewan — to go to a tax-on-income system, to change our system, is January 1, 2001. Alberta's changing their system then — so are we. I think that we're headed in the right direction, and I think that our tax system is going to be quite competitive. And I think people, when they look at the income tax changes that we're proposing, think that it's a pretty good package, Mr. Chair.

**Mr. Hermanson:** — Thank you, Mr. Chair, and thank you, Minister, for that answer. But again it's not too reassuring because the Alberta government always seems to exceed expectations. They seem to be very cautious. They lower expectations and then perform above what they've announced whereas the Government of Saskatchewan seems to do the opposite — they seem to raise expectations and then continually disappoint.

To the Minister of Finance through the Chair of the committee, another more specific question: in this department will two-twelfths of the budget actually be spent over the next two months, or will more be needed or will less be needed?

**Hon. Mr. Cline:** — I thank the Leader of the Opposition for the question, Mr. Chair. And I'm happy to report with respect to his comment that the Alberta government has exceeded its targets and so on, I'm very happy to report that in fact if you look back throughout our tenure in government, we have exceeded the targets that we have set for balancing the budget and usually our surpluses are larger than projected.

In fact, one of the things that the Leader of the Opposition has been complaining about is he feels that we ended this year with too much money. I like to think that it's better than ending the year with not enough money. But that's been one of the complaints of the Leader of the Opposition.

So when he says that we haven't met our targets, we have exceeded our targets as he, himself, has pointed out. And I'm sure the Leader of the Opposition therefore should be quite happy about the fiscal situation that the province generally is in. Not a situation that allows us to be all things to all people or do things that would lead to deficit and debt, but nevertheless a pretty good fiscal situation.

And I'm glad to have the words of endorsement, in effect, from the Leader of the Opposition that exceeding our targets is welcomed by him. And I think as a Saskatchewan person, and he's a Saskatchewan person, we can both agree that it's good that we have met and exceeded our targets.

In answer to the question will the money be spent? In general, yes it will. In general terms, each year there is an appropriation of one-twelfth or two-twelfths depending upon how these appropriation Bills are done, that enables the departments to proceed. There are some departments that would have more

seasonal spending at different times of the year than others. But on average, in general, two-twelfths, if appropriated, would also be what would be spent by the departments.

**Mr. Hermanson:** — Thank you, Mr. Chair. Of course . . . Yes, it's not wrong I guess to exceed revenue targets. But what that means is you've collected money from the people of Saskatchewan that we think you should return to them in numbers higher than you initially planned. And that's where you've fallen short.

It seems rather odd that your liquor and gaming fund reached almost \$700 million but you only found it in your heart to return \$40 million of that to the taxpayers of Saskatchewan, the people from whom that money came in the first place . . . (inaudible interjection) . . . Yes, but it was 600. According to your own numbers, there was 695 million in there. Anyways, we're not going to argue with the member who obviously hasn't read the minister's documents.

It's important these days, if your revenues are high, to recognize what impact that's having on your economy. And the result of high revenues in this case is taxpayers are feeling beleaguered and they're leaving the province. And you've heard many of my colleagues give illustration after illustration of people who, upon reading your budget, it was the straw that broke the camel's back, and they have now made plans to leave the province.

What we are suggesting to the Finance minister, Mr. Chairman, is that he should have returned more of those dollars to taxpayers than he did. And that's why we oppose the expansion of the PST, which I would still argue was totally unnecessary and was certainly a reason for us to vote against his budget.

Just a couple of questions in conclusion here. To the minister: how many agencies or third parties will receive money from this department — I'm talking about the Finance department — as a result of this interim supply Bill? And do third-party agencies receive their allotments from the government in monthly instalments or in one lump sum?

**Hon. Mr. Cline:** — Well I thank the Leader of the Opposition for the questions. And the first thing I'd like to point out, because I realize the Leader of the Opposition was serving in Ottawa and may not have known this, but in terms of exceeding our expectations, and the Leader of the Opposition says that some of the revenue should be passed on to the people. We actually, Mr. Chair, have been reducing taxes each and every year since we balanced the budget in 1994-95.

Specifically in 1995 and '96 this government cut the debt-reduction surtax in half. In 1997 we reduced the provincial sales tax from 9 per cent to 7 per cent. In 1998 we reduced income tax, the basic rate, from 50 per cent to 48 per cent. In 1999 in the budget we reduced the provincial sales tax from 7 per cent to 6 per cent. So we've had tax cuts each and every year.

But our rule has been that we must only cut taxes enough so that we don't go into deficit and debt; and this is where we have a disagreement with the members opposite who have a tax plan and spending plans that sound good on the surface, but

unfortunately, lead to deficit and debt. And that's what we're trying to avoid.

I might say to the member opposite, with respect to the tax cuts we've done — I haven't talked about the ones proposed in this budget which is opposed by the opposition — generally speaking, we have done pretty good compared to the other provinces. And I have the details here but I won't go into them right now.

Now the member opposite says that somehow as a result of the budget, that people are going to leave the province. Well I just want to say that the rate of people leaving the province has gone considerably down under our government. We still have negative out-migration — I'll admit that — it's in the hundreds and maybe sometimes 1 or 2,000 but it was, between 1985 and 1991 when we were not in office, Mr. Chair, the rate was 12,000, 15,000, something like that, every year leaving the province in droves. And the Saskatchewan people have made a lot of progress trying to turn that around.

And I also want to say to the Leader of the Opposition in that regard, that some of the comments we've got from the business community in particular, because the opposition has raised the business community being upset with the budget, these are the comments that we've got. These are quite representative of what I hear when I talk to people generally and personally.

The college of dental surgeons actually put out a press release the day of the budget and it says:

Revisions to personal income tax rules proposed in today's provincial budget should help (to) keep dental surgeons in Saskatchewan, according to Doctor Gordon Johnson, President of the College of Dental Surgeons of Saskatchewan (CDSS).

The president of the University of Regina said there were positive signs in the budget. And the budget allowed the universities to strive for sustainable quality.

The president of SIAST (Saskatchewan Institute of Applied Science and Technology) said the budget was good news.

The Regina police chief said he was encouraged by the part of the budget that said we were going to put more emphasis on policing.

The president of the chamber of commerce, which the Leader of the Opposition seems to think would be upset with the budget, says: "When you take all of the elements into consideration, there's more money in the pockets of Saskatchewan people at the end of the day."

And this, of course, is correct, Mr. Chair. The president of the chamber of commerce says this puts us in a much more competitive position.

And this is what we're trying to do — to have a fair tax system for ordinary people and low-income people and working people, not just the rich as the opposition would want. But ordinary people want a tax cut — working people, seniors who are getting hit with the flat tax, and minimum wage earners, and

single parents. These are people we have to help.

And so I even ask the members of the opposition to reconsider their stance on the budget and maybe come out against the flat tax and in favour of income tax relief for low-income people.

But also Marilyn Braun, of the Canadian Federation of Independent Business says, "These changes are going to be significant." She says they're significant. Shirley Ryan of the North Saskatoon Business Association issued Finance Minister Eric Cline — I'm sorry, I don't know if I should be referring to myself by a first name, Mr. Chair, so I apologize — but said that the Finance minister should get a grade of A. And I already said Professor Vicq said the budget should get an A.

And I don't say that to be boastful, Mr. Chair. I simply say that notwithstanding what the opposition says, most people in the province say that this is a good package.

In fact, Glen Feltham of the University of Saskatchewan — he's a commerce professor — says it was enormously important to do in the budget what we did in the budget, and so on.

The Regina Chamber of Commerce says they are pleased with the movement on tax that was in the budget. And the Moose Jaw Chamber of Commerce says, "I think it's a very forward thinking and innovative budget; I'm quite pleased," and he goes on.

And my point is, Mr. Chair, there are a lot of things to be very positive about in Saskatchewan, and it's easy to hang the crepe and come out with all the doom and gloom. But I think we have to recognize that cutting the flat tax, helping ordinary people with the personal tax cut that comes in on July 1 — flat tax is being cut in half; January 1, elimination of the flat tax, the debt reduction surtax, and the high income surtax; lower income taxes for everybody; the PST rebate. These are very positive moves.

And continuing to answer the question of the Leader of the Opposition, Mr. Chair, the Department of Finance does not fund any agencies or third parties directly.

**Mr. D'Autremont:** — Thank you, Mr. Chairman of Committees. I'd like to welcome the minister and his officials here today. And I'm pleased with the opportunity to ask them some questions, and hopefully we'll actually get some real answers.

The minister went on a fairly wide-ranging discussion on the virtues of his budget. Mr. Speaker, there were a large number of people who supported the initiatives that the Minister of Finance brought out on budget day of March 29, because they read in there exactly what the minister wanted them to read.

And the minister was promoting what he calls a historic reduction in taxes — a historic budget. A budget though, Mr. Chairman of Committees, that would take place over four years.

What the minister failed to provide in his budget address, and again today, was that there was also a historic tax increase. That the PST was broadened to an extent that it had never before been in Saskatchewan. While the government and the Minister of Finance was promising the bird in the bush in the future, he was strangling the bird he had in his hand with increased PST.



So I can certainly understand why the Minister of Finance, Mr. Deputy Speaker, doesn't want to talk about the present impact of his budget but rather wants to talk about his projections, his promises, and his very, very limited view of the future. His promise is that three, four years down the road there will be income tax cuts. But the reality today is we have a PST increase.

When I get my paycheque at the end of the week, Mr. Deputy Speaker, there won't be a tax decrease on that paycheque. But when I go down to buy my dog food this week, there will be a PST increase for every person across Saskatchewan. Not just for the rich that the minister talks about but every person, no matter what their economic level, pays the additional PST.

This budget was a tax on every strata in our society and it hurts the most with those low-income people. No one escaped the Minister of Finance's long greedy fingers. He reached into every pocket of this province, Mr. Deputy Speaker. No one escaped his grasp.

In fact there was a lot of things that the Minister of Finance didn't tell us in his budget document. He said in addressing the Leader of the Official Opposition, if you want to know how much money we're bringing in, how much the fees, charges, all other items in the budget we're bringing in, look at the schedule of revenue. Well I have it before me, Mr. Deputy Speaker, and no place in here does it refer to the coyote tax. It's not in here . . . (inaudible interjection) . . . because there is one.

The member from Regina Albert South says oh, no, there isn't one. Well when you put on a government charge for which there is no corresponding cost, according to the Supreme Court of Canada, that is a tax. There is no cost to the government, Mr. Deputy Speaker, for coyotes, but there certainly is a charge if you want to eliminate them.

And the fact is I could see this Minister of Finance at some point in time putting a tax on the reduction of government members. So if at election time government members were to be defeated, the people of the province would have to pay for that.

But excuse me, I think they already did that. They already did that because there was a significant number of members that sat opposite prior to the last election, that did receive a \$20,000 payment from the taxpayers of Saskatchewan. So I guess there is a government member reduction tax charged to the taxpayers of this province. They like to sneak those in every chance they get, Mr. Speaker.

We have increased park fees, increased fishing fees, increased fees for seniors buying non-prescription drugs, increased fees for seniors in nursing homes. There are very few people, Mr. Deputy Speaker, in this province that don't pay utility bills, and yet the government opposite, through their rubber-stamp committee, allowed for an increase in SaskEnergy and SaskTel costs, all of which end up in the government coffers.

(1515)

Those are taxes, Mr. Deputy Speaker, that the Minister of Finance either directly or indirectly levies on the people of this

province. The minister talked about and quoted a number of people throughout society. Particularly he likes to quote from the business community whenever he can find a positive statement in his mind. And it's difficult to find those because they are few and far between.

But there were a few, Mr. Deputy Speaker, on budget day because those people had not yet had a chance to learn about the long fingers of the Minister of Finance, and that he was dipping into their pockets in very, very many, less obvious ways — one has to be parliamentary after all in describing these terms.

The Minister of Finance has reached into the pockets of every businessman. When he expanded the PST he caught people like we saw today, the auto body industry that is going to be dramatically impacted through the increased costs associated with repairing automobiles in this province. Those who live near the borders will be looking to have their work done outside of this jurisdiction.

Another good example, Mr. Deputy Speaker, would be in the advertising industry. Most businesses and people, when they look at advertising, set themselves a budget. They say, we are going to spend X amount of dollars; now how much advertising can we get for that.

The initiatives brought forward by the Minister of Finance mean that they will get six per cent less for their money. Because they won't spend any more money, they will just end up with six per cent less service. And that means there's a reduction to all those industries that are participating in the advertising industry will take a six per cent less impact in their bottom line.

So I guess the question, Mr. Deputy Speaker, that I have for the Minister of Finance: there is going to be a dramatic impact on the business community of this province, there is going to be a dramatic increase in the number of people that purchase goods and services in this province, did he include in his calculations the amount of that impact, particularly the amount of impact that would be associated with his increases along the borders?

Obviously in Regina and Saskatoon where you have to drive 150, 200 miles to leave this province, it's going to have a lesser impact. But when you're in Swift Current, it certainly has an impact. When you're in Yorkton, it has an impact. When you're in Carlyle or Meadow Lake, it has an impact.

Has the Minister of Finance looked at what that impact will be to the businesses, people and to the financial coffers of the province of Saskatchewan?

**Hon. Mr. Cline:** — Well I certainly thank the member for his question. I want to say first of all that there . . . the Department of Finance has an economic and fiscal policy branch as well as a taxation and intergovernmental affairs branch and a revenue division. All of those branches working together try to estimate as best they can what the impact of any tax changes will be, and certainly this budget is no different.

And so yes they've tried to take that into account. Do we have any sort of special written studies with respect to this particular aspect of it? No. But do we take it into account? Yes, we do.

And I might say of the officials of the Department of Finance, they're usually pretty much accurate in terms of the impact of a tax change or the revenue we're going to have.

But I want to say to the member opposite who apparently thinks, Mr. Chair, that the business community and others only supported the budget insofar as income tax cuts went but did not support the whole package. That is not what in fact accurate. In fact the chamber of commerce for Saskatchewan was well aware of the entire package of the PST expansion and the income tax cut and indicated publicly many times that they support that package, as have several chambers of commerce around the province and other business people.

And I can tell the member that I have been speaking at public meetings. Yesterday I spoke to the Institute of Public Administration, to the chartered accountants, to the certified management accountants, to the certified general accountants, and to the financial planners, and they were very, very supportive of the measures in the budget. In fact they described the budget as visionary in positioning the province well for the future.

So I appreciate that the member does not support the budget, and I respect the member's right to do so, but it would not be accurate to say that many people in the province do not support the budget because the budget in fact has widespread support amongst the business community and others in our province and many low-income people who see the income tax to their advantage.

I want to say that I think the difference in approach here, Mr. Chair, to be helpful perhaps to the member opposite, is that the budget is a document that sets out a vision for the future. It says we're going to cut the flat tax in half on July 1; we're going to eliminate the flat tax on January 1 of next year, which is the earliest time we can move to a new system; and we're also going to substantially reduce income taxes, not only this year but next year as well.

I want to correct the member opposite when he says that there will be no tax cuts this year as a result of the budget. In fact, as I've tried to point out to the members opposite, on July 1 of this year the flat tax will be cut in half and January 1 it will be eliminated. And the net result of the tax cuts this year, Mr. Chair, will be approximately a \$44 million tax saving to people in Saskatchewan. So taxes are coming down notwithstanding the change to the PST.

And at the end of the day, Mr. Chair, we will be reducing income taxes by a total, by the year 2003 — that's only two and a half years away — total of \$443 million. And the net tax benefit of that will be \$260 million tax saving to the people of Saskatchewan.

And I think that when the member indicates that the PST is going to be charged to low-income people, the member is correct in that regard. But he should mention also that we're bringing in a PST rebate for the first time to actually pay low-income people a rebate for the expanded PST that they pay. And they won't be worse off; they'll be better off, Mr. Chair. And I think most people that have looked at the package fairly know that.

I want to say also that the budget takes 55,000 low-income people off of the tax rolls. One thing we've seen — and I've heard a lot about this in my years in politics — is that seniors, people with low-income whether they're minimum-wage earners or single parents, people working but have low wages, are hit by the Saskatchewan flat tax. And we're charging them the flat tax at a low level of income.

And so to the senior citizen right now, we're starting to put income tax — because of the flat tax — on a senior at about 12,800. We're increasing that to about 14,800 before we start taking income tax from the senior.

Many families will go from 17,000 where we start charging provincial income tax to 24,000, because what we're trying to do is cut the taxes for low-income people, for ordinary people.

And the difference between our support for the budget and the members opposite is we support the abolition of the flat tax, we support taking the 55,000 people off of the tax rolls, we support tax relief for low-income people. The members opposite have voted against that. They voted against that in the House yesterday.

And I respect the viewpoint of the members opposite that tax cuts should only be for the wealthy, but it isn't a viewpoint that we share. We think that we have to have tax cuts for lower-income people as well. And that's why we're doing what we're doing in the budget notwithstanding the objections of the members opposite.

And we're going to continue with it, Mr. Chair. We're not going to give up. We're going to keep saying the flat tax does have to go. Let's cut it in half on July 1; let's eliminate it on January 1. Let's take the 55,000 low-income people off the tax rolls. That's the first part of the budget.

The other part is that we're taking a balanced approach. We're trying to match that off by spending in important priority areas like health, education and highways. The members opposite haven't raised those matters, but those are important to people too.

But what we don't want to do is to take an approach being advocated by the opposition, which is that we should spend \$1.2 billion more than we take in, which would lead us to deficit and debt.

So what we're trying to do in the budget is fair taxation, tax relief for ordinary people, take low-income people off the tax rolls, put some increases into health and education and highways and so on, and keep the budget balanced, Mr. Chair. Because if we go into deficit, as is being advocated over there, it won't do us any favour in the longer run. We have to keep that budget balanced, pay down the debt and lower taxes. And that's what we're trying to do.

**Mr. D'Autremont:** — Well thank you, Mr. Deputy Speaker. Again I have to disagree with most of what the minister said. There is a few points in there that have some value of consideration.

He says he's taking 55,000 low-income people off of the

income tax roll. But he can spread out their cost on the PST today. He's removing them, or claims he's going to remove them because he certainly hasn't done so today, that he will be in the future removing them from the income tax roll, but he started charging them more taxes on March 29 of this year. Not at some future date, but a date in the past as we speak today. The day the budget came down he started taxing them further.

Now he can promise, and people look at promises from the government with a very jaundiced eye. We have all heard those stories, Mr. Deputy Speaker. But they look in their pocket today and he's taken more out today than he was on March 28. And that's what the people understand. But unfortunately the minister doesn't seem to comprehend that.

The business community certainly did. Yes they were complimentary on March 29. But they aren't any more. Because they recognized that the minister was trying to pull the wool over their eyes. He didn't tell them about the added costs that he put on them. With camping fees, fishing fees, all of those added extra costs. The nursing home cost that their mothers and fathers now have to pay. That wasn't in the budget.

And I noticed the minister very studiously avoids trying to talk about those issues, because he understands the anger that the seniors feel about having this tax imposed on them. Because it is a tax. You can call it whatever you want. You can call it a fee, you can call it a schedule, you can call it a charge. But it's money out of their pockets at the end of the day, and that's what they understand.

The minister talks that there's going to be a \$44 million reduction in revenues, that taxes to the people of Saskatchewan will be reduced by \$44 million at the end of the year. But again he fails, fails miserably to tell the people how much extra they're going to be paying for all those added fees that he has hidden and added into the budgetary process. He failed to tell them about the 41-plus million dollars that they're going to pay extra on their SaskEnergy bills and their SaskTel bills.

Even if you just took the utility rate increases without regard to other fees and charges he's added into there, it's a wash. It pretty well breaks even on what the minister says he's reducing income tax by at the end of the year to what we're going to pay extra for our utility costs.

And the minister says oh no, you can't include utility bills in this because they're separate entities. There's only one name on the ownership list of SaskEnergy and SaskTel. It's not publicly held and traded with millions of people holding shares. There's one shareholder and that's the government and province of Saskatchewan.

There are lots of people who have in essence a little piece of it, because every person in Saskatchewan theoretically owns a little piece of it. But they're never invited to be a part of the board. They're never invited to vote on whether or not an initiative by a Crown corporation is either good or bad. They do get a chance though to vote for the government, but never directly on an issue related to a Crown corporation.

(1530)

So there only is one owner and when they pay a dividend, that goes directly to the Government of Saskatchewan who charges and collects the taxes. So it ends up in the same coffers as the income tax money, the same coffers as the PST money, the same coffers as the fishing licence.

It's a tax, Mr. Speaker. And so the minister's historic budget along with the minister's historic raising of utility rates comes out awash. And yet very, very many people, Mr. Deputy Speaker, in this province are being negatively impacted by the hidden increases that this government has put in as well as the broadening of the tax base with the PST.

I'd like to direct the Minister of Finance's mind to his fancy slush fund. The money that . . . the \$405 million that was put aside from the liquor and gaming fund. What I'd like to ask him is, is there actually any money in that account? Is there a bank account someplace, either in Saskatchewan or Switzerland or the Cayman Islands or wherever it might be, that has \$405 million in it?

Or, which is more likely, a line in a book someplace that says this slush fund has \$405 million in it. And there's another line underneath there that says we have lent this money to the Consolidated Fund. That in actual fact there isn't a single red cent in that account. That the money has actually been spent by this government already and all we have is a book entry.

So, Mr. Finance Minister, my question to you is: is there actually an account with the money in it for the \$405 million in your new fancy slush fund, or is it simply book entries and you've already spent the money?

**Hon. Mr. Cline:** — Well, it's a very interesting question, Mr. Chair, because for several days now, including the day after the budget day, the members opposite were accusing me of sitting on a slush fund of \$700 million.

And so one day I'm supposed to be sitting on all this \$700 million, and now today what we have is the member opposite saying there's no money there — there's no money there. It's just a book entry — there's no money.

Well, you can't have it both ways, Mr. Chair. You can't on one day say that we're sitting on \$700 million, as has been said repeatedly. And you can check . . . they can check the *Hansard* themselves, Mr. Chair. It's right there. They've all been saying I'm sitting on \$700 million, which of course, I'm not.

And now the member opposite is saying, oh, there's no money there. You're saying there's money and there's no money there. Well which is it? Am I sitting on \$700 million on the one hand, as they say one day, or is there no money there, as they say on another day? I don't know.

But I say in response to what the member opposite has been saying, that although he refers to the fact that the expanded PST went on March 29, he fails . . . (inaudible interjection) . . . I'm going to get back to the question in more specifics as well, Mr. Chair, but I'm going to address some of the other points the member opposite raised.

He fails to mention that the low-income PST rebate started

being accumulated by people on April 1 — on April 1 — not some time in the future, but we've already passed that date. In other words, when somebody is going to the store and buying something, the PST . . . they're also accumulating a PST rebate starting on April 1, which in years to come will be paid on April 1, but this year will be paid on October 1, going back to April 1 — three cheques in one on October 1 for that PST rebate.

He also fails to mention that the farm fuel reduction was retroactive to January 1, so that started coming off January 1 of this year.

And of course he says, well what are they going to do. He says, are they going to keep their promises.

Well I'll say this to the member opposite. A year from now I'm going to be standing in this legislature, I hope, and I'm hoping that the member opposite will be still healthy and in the legislature and asking me questions. And a year from now when he does that, this is what I'll be saying to him, I'll be saying, I'll be saying that on July 1, 2000, the flat tax was cut in half and on January 1, 2001, the flat tax was eliminated and we're going to a new income tax structure.

And I say to the member opposite who's telling people that you can't trust government promises, we have met and exceeded our financial targets each and every year. Every time we have promised a tax cut, we have delivered a tax cut. We've had seven consecutive balanced budgets. This was the sixth consecutive budget with personal tax decreases and we're going to continue on that record.

But what we are not going to do, as I'm trying to explain to the members opposite, is we are not going to keep the flat tax. They seem to oppose the abolition of the flat tax. We do not agree with them that we should not take low-income people off the provincial income tax rolls. We should give tax relief for low-income people; not follow their plan which would only give tax relief to their rich friends, Mr. Chair, which I think would not be the right thing to do.

I want to say also that I take it from the member's comments — the member goes on talking about Crown corporations — and I take it from his comments that they still are advocating, over there, the privatization of our utilities like SaskPower, SaskEnergy, and SaskTel. And this is another area where we differ from them, Mr. Chair. We do not agree with the privatization of the utility Crowns.

These are owned by the people. They should be kept in the hands of the people. Not sold off to rich friends who the members opposite also want to benefit with a tax cut only to the rich.

To return to the member's final question and comment, the assets in the Fiscal Stabilization Fund will be used to minimize interest costs to the operations of government. There's no question about that. We will not have them sitting in a shoe box somewhere. We will have them used for government purposes to minimize interest costs to the General Revenue Fund.

And if the member opposite does not agree with that, I would put this question to him. Is he proposing that those funds should

sit collecting no interest? Or is he proposing that the interest to the General Revenue Fund, which is paid by the taxpayers, should be increased by not accessing monies that are sitting in the Fiscal Stabilization Fund? That is the question I have for the member opposite, Mr. Deputy Chair.

**Mr. D'Autremont:** — Thank you, Mr. Deputy Deputy Chair. I guess what the minister is actually saying in his last comments is that there is no money in the Fiscal Stabilization Fund, the fancy slush fund. That there actually isn't any money there. Because he said that they are using it to minimize interest costs to the government. That sounds to me like they've already spent it.

Well if they've already spent it, then there's a debt in that particular account. That there is no money there. The government then owes the Fiscal Stabilization Fund \$405 million. So they've increased the government's debt. I wonder if they're actually paying any interest on that particular account. Or is this sort of an interest-free loan or grant from the Fiscal Stabilization Fund to the Consolidated Fund?

If we're going to be using the money that's supposed to be in that account for government purposes, I guess the real question has to be, what's the point of having it if the money has already been spent?

Why don't you just simply take the money that was available out of the liquor and gaming fund rather than starting up a new fancy fund to cover up your tracks? Simply put it into the Consolidated Fund and pay down the debt with it, which is what you seem to be indicating — only seem to be indicating — is what you may have done with it.

So, again, I ask the minister: is there cash in the Fiscal Stabilization Fund or is there a debt there owed by the provincial government to that fund?

**Hon. Mr. Cline:** — The answer is there is a fund. It is lent interest free to the General Revenue Fund, the reason being to minimize the interest costs. And if you did not do that, then the General Revenue Fund would be paying higher interest costs.

But I say to the member opposite, if you utilize the funds . . . to say that there is no fund there is like saying that when you deposit your money in your bank account, that the bank should simply leave the money sitting there. And that isn't the way the real world operates, Mr. Chair.

The way the world operates is you take your money to the bank. You have an account receivable from the bank which is a financial institution. Your money is there, but that doesn't mean that the bank just sits on the money and does nothing with it. The bank will lend that money out for other purposes which is how the economy operates.

The member opposite seems to be of the view that in order to have a fund and in order to have an account, you should put your money in a shoebox, lock it up in a safe, and leave it there. And I can only say, Mr. Chair, that this is the sort of — if I may say so — erroneous thinking that got our province into a lot of trouble in the past.

We're following correct accounting procedures by having that money put into a fund, having it used to minimize interest costs, having it as an account receivable — as I'm hoping the member does with his own funds. I'm hoping that he doesn't take them home at the end of the month and put them in a sock under his mattress, and then say, well I've got some money there. I'm hoping that the member has an account in a credit union or a bank or somewhere else where he's got an account receivable.

And this is the way that things operate in the real world. And yes, we do put the money into an account. We do have an account receivable for that fund. That's the way we should do business. That's the way I would hope the member does business in his own personal life — that he puts some money into an account for savings as we're doing.

And I think that that's a big difference between us and the members opposite, Mr. Chair, that we do believe in setting some money aside as savings instead of spending every penny we have and then, when something happens that you're not expecting, going into deficit and debt which ultimately you have to pay for. You have to raise taxes or do something else or get the next generation to pay for it, and we don't want to do that.

We think it is proper to have some funds set aside, as I've described, to deal with any volatility that may occur in revenues. And I can only hope that the member does the same thing in his own personal life, and I'm quite sure that he does.

**Mr. D'Autremont:** — Thank you. Well what we have in this particular case is no bank. What we have is like an individual gets a paycheque and they get their cash in their hand and they put it in this pocket. But what they do later is they take it out of this pocket and they transfer it over to this pocket. Now this pocket was the liquor and gaming fund, now the Fiscal Stabilization Fund. They take the money out of this pocket and pay down a debt.

The question is: is there any money left? No, there isn't. This pocket is empty. This pocket is empty except for a little piece of paper that says this pocket owes this pocket some money, but there is no money. The money is gone, it's spent, and that's what the government situation is.

I'd like to read a little quote from the Provincial Auditor on these very funds on how the government likes to shuffle money back and forth. And I quote: "To me it's almost like you don't have respect for taxpayers when you create these things," Strelieff said.

That's what the Provincial Auditor said about the creation of the Fiscal Stabilization Fund and all of the funds like it. The people out across the province that vote understand that if you put money in one pocket and take it out and put it the other pocket and take it out and spend it, even though you say pocket B owes pocket A the money and you've spent it, there is no money left.

The Minister of Finance's much vaunted Fiscal Stabilization Fund, quite frankly, is broke. It doesn't have a red cent. All it has is a piece of paper that says pocket B owes pocket A some money.

(1545)

So, Mr. Speaker, Mr. Deputy Chair, what we have is some subterfuge by the Minister of Finance to try and confuse the public of Saskatchewan, and I believe that's wrong. It's most unfortunate that the Minister of Finance believes he has to resort to those kind of tactics in presenting his budget.

And it wasn't only the Fiscal Stabilization Fund that he resorted to those tactics in, he resorted to it in every branch and department. Why else would the Minister of the Environment say, we weren't going to tell; you didn't ask, so we're not telling you.

And the fact is on the park increases, when the people around Saskatchewan that operate in the parks heard that there might be some increases they phoned the Department of the Environment. And they asked the people in there, well weren't you going to tell us that there was a fee increase?

And the response they got back from the officials in the Department of Environment was no, we were going to slide it in the back door. They weren't even prepared to tell the people that operated in those areas that there was going to be a fee increase.

I can just see the park superintendents on May 1, when they start charging fees to enter the park. He's standing out in front of the booth, 8:59, 9 o'clock, grabs his little sign and nails it up on the wall and hopes to heck nobody made it through there before he got the fees increased. That was the notification that people of the province of Saskatchewan were going to receive on the fee increases that this government is putting in.

So, Mr. Minister of Finance, since there is no money in the Fiscal Stabilization Fund, why did you even bother creating it? Why don't you simply transfer the fund from the liquor and gaming commission to the Consolidated Fund to pay down the debt which is what you claim you are doing with the money today?

**Hon. Mr. Cline:** — Well, Mr. Chair, I certainly thank the member for his questions. And I must say that they seem rather confused in this sense, that as I've said — and this is on the public record in *Hansard* — the members opposite have been accusing me in the last number of days of sitting on a slush fund of \$700 million.

They've been saying I'm sitting on this \$700 and I should be giving it out and doing this, that, and the other thing with it. Now, today, the members opposite are saying, there's no money there.

Well, it can't be both ways. It can't be on the one hand they say that I've got \$700 million that I'm sitting on to spend. And on the other hand say, you don't have any money when you say you're having some money. So it's very difficult to follow the logic of the members opposite.

But I just say to the member opposite, without trying to belabour the point, because I've answered the question already.

When you have money, you don't keep the money in a shoe box

or in a safe or in a box or in a mattress that you're sleeping on. The member says, well there's just a piece of paper to represent that money. I point out, well it's the same when the member goes to the bank and puts his money in the bank. He's got a deposit book or a receipt indicating that he's got that money, that he's got a receivable.

And the Fiscal Stabilization Fund exists as a fund. It also has a receivable from the General Revenue Fund which has the effect of decreasing the amount of interest that the taxpayers of Saskatchewan have to pay. And I can only say that it is no different than any situation including, I'm hoping, as I said, that the member has bank accounts with pieces of paper that represent his right to get his money back, as the Fiscal Stabilization Fund does too. So I just want to say that.

I also want to say to the member opposite that he can . . . he seems to be under a misapprehension that somehow you would have fees going up and nobody would be told about them. And of course nothing could be further from the truth, Mr. Chair.

I think that the member opposite is confusing the budget address and the fact that not all things are covered in the budget address, and the announcements that occur after budget over a period of time so that there can be full public discussion and debate of every issue — as in fact we would encourage to happen — and certainly no different with respect to the camping and the fishing fees.

And I want to say that nobody ever likes it when a fee goes up. You know, the fishing fee licence is going from \$16 to \$25. That's true. But also you can get a three-day pass to go fishing for \$12.

And also, Mr. Chair, a lot of our people that fish are from out of province. I think it is fair that we charge a fee for people to fish that we can use to restock our fishery, to protect our wildlife, to improve our environment, to work on the parks, and do all of those things to make Saskatchewan even a more beautiful province than it is already.

And I also want to say to the member opposite that we're going to be tabling in the legislature answers from every department and agency that has been asked about as to any program changes, such as have been asked about by the opposition. I have a tremendous amount of respect for the opposition and the job that they do and also my colleagues.

One of the things we do in the legislature is to in fact have a public discussion of all these issues. And to suggest that we're not going to discuss these issues publicly is of course not right. That is what we're going to do. That's our intention.

And the real complaint is, well you're maybe talking about it on a Tuesday instead of a Wednesday. But these things should be discussed, certainly, over time — and they will be. And all of that information will be tabled. So I hope that reassures the member opposite, and I have every confidence that it will, but any information that is needed, I can assure you, Mr. Chair, it's going to be tabled and made public and debated in the legislature.

And in fact, we're going to go through the budgets of each

department on a line by line basis and really get into a lot of detail in departmental estimates. And I welcome that. That's what we should be doing. So in that sense, I'm in complete agreement with the member opposite that we need to get into estimates of each department and really look at these things in the detail that they deserve.

**Mr. D'Autremont:** — Thank you. Well, Mr. Minister, I agree with you that we need to get into the items on every department. But your budget should include not just those items you wish to use as propaganda across this province, it should include all items of transaction and policy that are changing which affect the people of Saskatchewan. And you only presented half of the story.

On your analogy about the bank, Mr. Minister. When I put money in the bank and the bank uses it for various and sundry purposes, that's the way it should be. But when I go down to that bank and say, Mr. Banker, I would like my money back, what I don't have to do is turn around and make a deposit so that I can get my money out. But in your case, Mr. Minister, if you wanted to extract money from the Fiscal Stabilization Fund you would actually have to make a deposit to your so-called bank, to the Fiscal Stabilization Fund so that you could withdraw money out of it.

You're simply shuffling money around to try and confuse the people of Saskatchewan so that you can hide the transactions. There is no money there. There never was any money there. It's simply paper, and you've already spent the money that could have gone into that account.

Since the money isn't there though and since all there is is a paper that says you owe the Fiscal Stabilization Fund \$405 million, I wonder if you have included that \$405 million in your statement of revenues, expenditures, and accumulated deficit? Have you included the \$405 million as a debt to the Government of Saskatchewan?

**Hon. Mr. Cline:** — Yes, the \$405 million is included as an expenditure in the accounts that have been tabled with the legislature. And I want to say to the members opposite that the purpose of the fund is that Saskatchewan can have a savings account as anyone should have a savings account.

And the answer to the member's question is if he went to the bank and presented, you know, his deposit book and wanted to get his money, yes the bank would have to go and get the money if they didn't . . . if it was a very large withdrawal for example. Banks don't always have reserves on hand, but they would go and get the money and they would give it to the member.

And similarly, as I've tried to explain to the member, the Fiscal Stabilization Fund has an account receivable from the General Revenue Fund. And likewise if the Fiscal Stabilization Fund wanted to withdraw their money from the General Revenue Fund, that's what they would do.

But the essential question here, Mr. Chair, is whether or not Saskatchewan should have any savings. That's the question. And the difference between the position being taken by the members opposite and the position of the members of the

government is that we are saying that we should set aside a 5 per cent of our revenue as a savings account to protect us in the interests that there is some volatility of revenue and our revenues go down. So that we don't have to cut services to people or raise their taxes, or go into deficit and debt.

The members opposite are essentially saying they don't believe we should create the savings account that we want to create. They believe that we should spend all the money as soon as it comes in. And that's a very dangerous game to play because we've seen it in the past that you go into deficit which means that you go into more debt. And instead of reducing taxes, you increase taxes and that's why we believe we do need a Fiscal Stabilization Fund to act as a savings account for the people of the province.

**Mr. D'Autremont:** — Well thank you, Mr. Deputy Chair. Mr. Minister, you say that just like a bank, if somebody makes a withdrawal, they get some more deposits from somebody else to pay that. In this particular case though with your so-called bank, who are they going to get the deposit from? Are they going to get it from the Government of Saskatchewan, or are you going to get that deposit from the people who supply their moneys to the liquor and gaming commission?

Where do you get your deposit from to provide the money to pay that out of the Fiscal Stabilization Fund?

**Hon. Mr. Cline:** — The funds would be paid to the Fiscal Stabilization Fund by the General Revenue Fund if those funds were drawn upon.

**Mr. D'Autremont:** — So in actual fact, there is no money. That's what the minister just said. That it's simply paper being shuffled back and forth, and if he wanted to withdraw money out of the Fiscal Stabilization Fund to transfer it to the Consolidated Fund, he would have to pay money from the Consolidated Fund into the Fiscal Stabilization Fund first.

There is no money. That's what the minister is finally saying. Since there is no money, again I would like to refer to page 10 of the budget under statement of revenues, expenditures, and accumulated deficits.

Under the headings of accumulated deficit at the beginning of the year and accumulated deficit at the end of the year, is the \$405 million owed to the Fiscal Stabilization Fund included in that number?

**Hon. Mr. Cline:** — It is part of the accumulated deficit, Mr. Chair.

**Mr. D'Autremont:** — So in actual fact then, you're saying, Mr. Minister, that the money supposedly in the Fiscal Stabilization Fund is actually being recorded under accumulated deficit for the year ending March 31, 2001?

**Hon. Mr. Cline:** — The General Revenue Fund has an accumulated deficit. The Fiscal Stabilization Fund has a surplus. That is indicated at page 10 of the *Estimates* as the member has indicated. And the matter is fully reported there.

And I say to the member what I've said before, that the fund

has an account receivable as any bank account would. The fund is there.

It's fully accounted for in the *Estimates*, and it will provide a savings account for the people of the province; something that we should have in order to avoid deficits and debt.

(1600)

**Mr. D'Autremont:** — Thank you, Mr. Minister. Perhaps you can walk me through this then.

We have revenues here under the statement of revenue, expenditure, and accumulated deficit estimated for the year 2000 and 2001 of \$6.382 billion.

We have operating expenditures of \$5.29 billion, for an operating surplus of \$1.091 billion. Servicing of the public debt, 677 million, transfer to Fiscal Stabilization Fund of \$405 million, for a surplus of \$9 million, \$9.4 million.

Accumulated deficit, beginning of the year, \$798 million . . . or excuse me 7 billion and 98 million. Accumulated deficit at the end of the year, 7 billion and \$89 million.

Can you explain to me all of that \$7 billion deficit? Exactly where's that being held?

**Hon. Mr. Cline:** — I think what I need to explain to the member opposite, Mr. Chair, is that the accumulated deficit is not the deficit of this year. This year there's a surplus of \$9 million.

The accumulated deficit is the deficits accumulated from all the years past. And what that figure . . . the member is talking about apples and oranges. What the accumulated deficit means, is that for example, looking at the same page we can see that for last year, the accumulated deficit at the end of this last fiscal year, 1999-2000, was 7 billion and 98,000 dollars . . . 7 billion and actually that's \$98 million.

And this year as a result of the estimated surplus — this is forecasting to the next year and March 31, 2001 — the estimated surplus is \$9.4 million. And so the accumulated deficit will go from \$7 billion, 98 million to \$7 billion, 89 million and that's what the accumulated deficit is.

It doesn't mean that you run up a deficit of \$7 billion this year. It means that we used to have an accumulated deficit of somewhat higher. I don't know what the highest it ever was in this book would be, but it's been coming down over the years. And it continues to go down because we're operating at a surplus instead of a deficit.

That's a separate point from, really, a discussion of the Fiscal Stabilization Fund. But I'll point out to the member that is what is happening in this current fiscal year that we're now in, the new budget year, is that the revenue is basically \$6.4 billion. But that includes an approximate sum of \$695 million coming in as revenue from the liquor and gaming fund. And as fully disclosed in this document, we're taking in 6.4 billion, we're spending 5.3 billion on operations, that leaves you with an operating surplus of \$1.1 billion.

Of that we are going to pay \$677 million interest on the debt and we're going to transfer \$405 million to the Fiscal Stabilization Fund. And so you end up with a surplus of \$9 million, which then has the effect I've described on the accumulated deficit.

And all I can say to the member, Mr. Chair, is these numbers are here. They're recorded for all to see. They're completely transparent. They're easy to follow and understand. I'm not sure if they are if you're just listening to this and you don't have the document in front of you. But everything that is coming in, everything that is spent is itemized in the *Estimates* and the other budgetary documents that are tabled with the legislature — there's no mystery to it. And the sum of \$405 million is being transferred out of the operating surplus into the Fiscal Stabilization Fund.

And I can't explain it any differently than that — that is a fact and it's a fact that is fully disclosed in the *Estimates*.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Indeed it is in the book here. So the only changes in the accumulated deficit from fiscal year, which just ended, to the fiscal year which will end March 31 next year is a \$9 million reduction in that accumulated deficit. There will be no other transactions within that account . . . that accumulated deficit over the period of that fiscal year?

**Hon. Mr. Cline:** — Yes, well that's correct. Because the accumulated deficit simply reflects accumulated deficit last year minus projected surplus, or if you were in deficit then it would add the projected surplus, and then you get the new accumulated deficit for this year. And that is what appears in the book. And this is nothing new. This is what appears every year in the book.

And I might add that this is not necessarily a reflection of the amount that the debt of the province would be reduced because then you've got to look at the amount of the guaranteed funds and sinking funds and so on. But in terms of the accounting of an accumulated deficit, of course, that is the result — that you start out on last year's figure, then you add your surplus . . . or subtract your surplus, and you end up with the new accumulated deficit. That's quite correct factually and it's a matter actually of simple arithmetic.

**Mr. D'Autremont:** — Thank you, I'm glad that the minister said that that was the only transactions. Because in this year, this budgetary year we're discussing, he shows a transfer from the Consolidated Fund to the Fiscal Stabilization Fund of \$405 million. So in theory, we have \$405 million sitting in the Fiscal Stabilization Fund.

Now he admitted earlier that he has used the money, that he's used it to reduce the interest costs to the province by paying down debt, that there would be a debt owed to the Fiscal Stabilization Fund, but it doesn't show it here, Mr. Minister. You, yourself, said that in this fiscal year, the only transactions in and out was the \$9 million.

In reality, you're running a deficit, Mr. Minister, in this budgetary year of approximately \$396 million. That seems to be the truth, Mr. Minister, of your numbers and your book work.

Since there was no corresponding debt accumulation to the accumulated deficit at the end of the year, you didn't show the transfer from the Fiscal Stabilization Fund to the accumulated deficit. We have a debt sitting there that's unrecorded by your account.

So, Mr. Minister, which is right? Either there are more transactions taking place than you admitted to in the first place or you're running a deficit.

**Hon. Mr. Cline:** — Well, Mr. Chair, I can only advise the member that the way in which the accumulated deficit is accounted for in the books has been the same since the province was created in 1905, Mr. Chair; the accumulated deficit is something that has been accounted for in the same way since 1905. And all I can say to the member opposite is now I'm getting pretty confused because now he's trying to say that we have somehow a \$405 million deficit . . .

**An Hon. Member:** — 396.

**Hon. Mr. Cline:** — Oh, \$396 million deficit. Last week he and his colleagues were saying we had a \$700 million surplus that we were sitting on.

So I don't know which it's supposed to be. Is it the \$700 million surplus that last week you were yelling at me that I was sitting on \$700 million and I wouldn't spend it, or is it today's \$396 million deficit? Well the reality, Mr. Chair, is it's neither.

What it is, is what is stated in the books. What it is, is what is audited by the Provincial Auditor every year, and these books will be audited as they are. And I can only say to the member opposite and his colleagues that you really have to be more careful about what you're saying in this House.

Because at least try to be consistent. And don't one day stand in the House and accuse me of sitting on \$700 million surplus and the next day accuse me of a \$396 million deficit. Because I'll tell you, it doesn't make sense. It doesn't add up. The people of the province know that your math doesn't add up. And at least if you're going to use your funny money Tory math, at least try to be consistent and decide whether you're going to accuse me of sitting on a \$700 million surplus, as you did last week, or sitting on a \$396 million deficit as apparently you're trying to do today.

At least try to be consistent. Which is it? Is it the surplus today or is it the deficit? Let's come clean with the people of the province.

**Mr. D'Autremont:** — Well, Mr. Minister, we took your numbers at face value and it looks like you've blown a billion dollars in less than a week.

Mr. Minister, how do you account for the transfer of money in this budget from the Fiscal Stabilization Fund to the accumulated deficit that will be in place at March 31, 2001? Where does that transfer show up?

**Hon. Mr. Cline:** — Well as I've tried to explain to the member, Mr. Chair, it's two completely different things. The accumulated deficit is a fund that goes back . . . it's been



accounted for since 1905. The Fiscal Stabilization Fund is a new fund being created this year. It's quite clear in the *Estimates*.

I really can't add anything to what I've already said to the member. He's talking about apples and oranges. And with the greatest of respect, he's actually quite confused about the numbers, and his confusion seems to be getting worse as time goes on.

**Mr. D'Autremont:** — Mr. Minister, when will you transfer the \$405 million into the Fiscal Stabilization Fund?

**Hon. Mr. Cline:** — During the current year, subject to enabling legislation being passed by this House.

**Mr. D'Autremont:** — Mr. Minister, when will you withdraw the money from the Fiscal Stabilization Fund?

**Hon. Mr. Cline:** — I'm advised by the officials that we will begin to draw down the Fiscal Stabilization Fund in the three years subsequent to the current fiscal year.

**Mr. D'Autremont:** — So then at the end of March 31, 2001, there will be an account, the Fiscal Stabilization Fund, that actually has a cash value, money in the bank of \$405 million. Is that right?

**Hon. Mr. Cline:** — As I've explained to the member, Mr. Chair, there will be a receivable of the Fiscal Stabilization Fund which will amount to \$405 million at the end of this fiscal year. That would be March 31, 2001.

It will be \$350 million at the end of the 2001-2002 fiscal year, \$320 million as of March 31, 2003, and \$290 million as of March 31, 2004, which is equivalent to approximately 5 per cent of the revenue, which is the target of the fund.

I might add that the reason the fund is being created at a level of \$405 million this year is to provide a payment next year of \$25 million for the farm property tax rebate; and also next year, \$30 million to the Centenary Capital Fund, and then payments of \$30 million in the two subsequent years to the Centenary Capital Fund.

And when you take out the monies that will be drawn down to the Centenary Capital Fund and the farm property tax rebate, you will be left on March 31, 2004 with a Fiscal Stabilization Fund of \$290 million, which is the 5 per cent target.

(1615)

**Mr. D'Autremont:** — Mr. Minister, at the end of the year unpaid either operating accounts or other monies owed become deficits and debt at the end of the calendar . . . not the calendar year, the fiscal year. Is that not right? That's how we accumulate a deficit.

It's an addition of all the debt that has accumulated over the years at the end of each fiscal year, that is the accumulated deficit — is it not?

**Hon. Mr. Cline:** — Deficits and debt are two separate and

distinct things, Mr. Chair.

The accumulated deficit would relate to the deficit or surplus of the General Revenue Fund, and would be adjusted according to what happens in each year as has occurred since 1905.

If the province undertook debt — whether guaranteed debt, Crown corporation debt, or general government debt — that would be accounted for as debt. It would not be accounted for as a deficit or a surplus. And it would not, in that sense, impact on the accumulated deficit.

And I don't know how to answer the member other than to say that the concepts of debt and deficit are two different things.

**Mr. D'Autremont:** — They absolutely are. Deficit is what I run short of this year, and debt is what I ran short of every year before that — accumulated.

Mr. Minister, you said at the end of the year, this fiscal year, that the Fiscal Stabilization Fund will have a receivable, I believe, of \$350 million with the Consolidated Fund. That means the Consolidated Fund owes the Fiscal Stabilization Fund \$350 million.

Now are you accounting for that debt, deficit, what you owe, to the Fiscal Stabilization Fund in the accumulated deficit because it'll be owed at the end of the fiscal year?

**Hon. Mr. Cline:** — Well again, first of all, it would not be the figure of \$350 million because I already said to the member — and I might add that this is outlined in the budget book itself; there is a schedule for the amount of the Fiscal Stabilization Fund — I've already said to the member in my answer, two questions ago, that the amount available in the Fiscal Stabilization Fund at the end of this current fiscal year will be \$405 million.

So the member's using a figure of \$350 million. That figure is not correct. There would be a receivable of \$405 million, not \$350 million.

Now the member is referring to two concepts in one question. He's referring to the debt of the province, and he's referring to the accumulated deficit. And I'm trying to say to the member that the concepts of debt and deficit are separate.

The accumulated deficit is something different than the statement of debt of the province, and he's mixing those two things . . . the two concepts in one question, Mr. Chair. It's not a sensible question, and it's not possible to answer the question because the question itself doesn't make sense, because it confuses the deficits and debt which are two different things.

**Mr. D'Autremont:** — Well I think it's the Minister of Finance that's trying to confuse things so that the general public doesn't know what he's doing with \$405 million.

Because he's saying I'm putting it into an account; and then he's saying I'm taking it out of an account but it's still in the account. So if I need the money I can get it, but I've got to take . . . I've got to pay it back to there so I can take it out, so I have \$405 million. But I already spent it to reduce the deficit. But I

have it there still if I want it.

Well, Mr. Deputy Speaker, the end story is the money's gone. And I guess the real question is now, is: has the minister accounted for it? And it would appear that somehow or another he may have missed it when he was adding and subtracting.

That's what I want to know — is did he miss it when he was adding and subtracting the debt that will be owed by the province of Saskatchewan at the end of the fiscal year, March 31, 2001?

**Hon. Mr. Cline:** — Well the answer is no, it certainly has not been missed — \$405 million is obviously a large sum of money and it's accounted for in the *Estimates*.

But the problem with the question is the member is saying, are we using that money to reduce the deficit. And no, you would not use that money to reduce the deficit. You would use that money to reduce the debt of the province, Mr. Chair. But that would have very little to do with the accumulated deficit which deals with a different concept, as I've been trying to explain to the member.

And I can only say to the member that our goal is to have a savings account that can be drawn upon when there is a change to the revenue so that we will not have to cut services, increase taxes, or go into deficit. And it's very important for the province that some of our monies be set aside in a savings account to protect the people of the province from volatility of revenues so that we don't have to go into deficit.

Because ultimately, there's only one thing, I think, perhaps that I agree with the former premier Devine on, and that is, he said, deficits are a deferred tax. And I think that's correct.

And we have to try to avoid deficits, continue on our record of balanced budgets. We've just presented the seventh balanced budget in a row. And the goal of what we're trying to do here is to be able to continue to do that and avoid deficits.

And we ask the hon. member and his colleagues to support us in that effort so that indeed we can avoid deficits and keep the budget balanced. And I know that all members hopefully will at least say that they share that view, and we need the co-operation of the members in order to create that savings account to avoid the kind of deficits we otherwise would have.

So I hope that is helpful and I certainly appreciate the opportunity to discuss the issue.

**Mr. D'Autremont:** — Well, Mr. Minister, you still haven't answered the question. When I look through various and sundry other pages in this budget, it talks about schedule of borrowing requirements, and yet I don't see the Fiscal Stabilization Fund in there. It talks about lending receipts, loan repayments, investing receipts, investing disbursements, other loans, lending disbursements. No place in there does it talk about the Fiscal Stabilization Fund.

I looked at schedule of debt for the province. No place in here is the Fiscal Stabilization Fund included, and yet the number is impressive. It's 11-plus billion dollars. But the minister himself

said that at the end of the fiscal year, March 31, 2001, the Fiscal Stabilization Fund would have a receivable from the Consolidated Fund of \$405 million.

Well if I have a receivable, that means I owe somebody some money. Well perhaps I owe the member from . . . used to be the member from Pelly but now he's the member from Regina Northeast. So perhaps I owe the member from Regina Northeast some money. He has a receivable on me. I owe him some money. It needs to be accounted for someplace.

And yet in this budget book, that \$405 million is not accounted for. It shows that the member from Regina Northeast got the \$405 million into the Fiscal Stabilization Fund, but it doesn't show where it went to, because he actually doesn't have any money.

But it doesn't show where it went to. No place in here does it show where the money went to; no place does it show that the Consolidated Fund owes the Fiscal Stabilization Fund \$405 million. It's not accounted for in either debt or deficit as the minister wishes to split hairs on. It's not accounted for.

If I owe money, if the province owes money in this fiscal year that it doesn't have the ability to pay with the current revenues, that is a deficit. And when you add it with the previous deficits, it becomes a debt and it becomes the accumulated deficit. That means unless the minister can pull some rabbits out of a hat and explain this, that he's actually running a deficit this year of \$396 million.

**Hon. Mr. Cline:** — Well again, Mr. Chair, I simply say to the member that he's got to get his story straight because last week I was accused of sitting on a \$700 million surplus. Now I'm being accused of sitting on a \$396 million deficit. So I don't think, I don't think even Houdini could sit on a \$700 million surplus and a \$396 million deficit at the same time. So you better get your story straight which it is I'm supposed to be doing, because you can't have both a surplus and a deficit.

But to answer the member's question, I'll answer it this way, the . . . this year is the first year of the creation of the Fiscal Stabilization Fund. The revenue that goes into the fund is contained in a transfer that is itemized on page 10 of the *Estimates*, the "Statement of Revenue, Expenditure and Accumulated Deficit" where it is indicated that \$695.4 million is being transferred in as part of the SLGA (Saskatchewan Liquor and Gaming Authority) fund. So that's where the money's being transferred in.

It's itemized on page 10. And I might add it's itemized also on page 12 as transferred from the Saskatchewan Liquor and Gaming Authority retained earnings of \$695.4 million. So certainly it's itemized there and on page 10 again. The expenditure out to the Fiscal Stabilization Fund is also itemized on page 10, an expenditure out from the General Revenue Fund to the Fiscal Stabilization Fund of \$405 million.

So where does the money come from? That's itemized both on page 10 and page 12. Where does it go to? That's itemized on page 10, Mr. Chair, and that is where the money comes from; that is where the money goes.

And I could also refer the member to the budget; I think it's page 51 of the budget document which has a chart called "Fiscal Stabilization Fund Forecast." And it has the information about the amount in the Fiscal Stabilization Fund, a four-year plan to take money out of the Fiscal Stabilization Fund.

It is there not only for the member but for all the world to see, Mr. Chair, and certainly as is the record of this government, properly recorded, properly accounted for, and quite properly it will be used again to avoid deficits, avoid increased debt, and to keep our budget balanced. And that's what we're going to do, Mr. Chair.

**Mr. Toth:** — Thank you, Mr. Deputy Chair. Mr. Deputy Chair, and to the minister, I'd still . . . I'd like to come back to this fund for just a minute. And in regards to the Fiscal Stabilization Fund, if I heard you correctly, the fund will have at the end of this fiscal year \$405 million actually sitting in it.

Currently it has no money in it. Just other than a transfer agreement from the General Revenue Fund to that fund. Is that correct?

**Hon. Mr. Cline:** — Well, not quite, but generally the . . . Currently there is no fund because the fund has to be authorized by legislation. Currently what we have are monies being transferred from the SLGA (Saskatchewan Liquor and Gaming Authority) into the General Revenue Fund. And the goal is that when it's authorized by the legislature, we will put \$405 million into the Fiscal Stabilization Fund.

**Mr. Toth:** — Mr. Chair, Mr. Deputy Chair. Mr. Minister, so are you saying that the liquor and gaming fund of \$695 million is actually being transferred to the general revenue pool at this time?

**Hon. Mr. Cline:** — Yes, it's been recorded as revenue in this fiscal year as is itemized on page 10 of the *Estimates*.

**Mr. Toth:** — Mr. Deputy Chair. Mr. Minister, so that money currently is in the general fund, and the General Revenue Fund currently was showing a much larger number than the \$9 million surplus that you're actually showing for the end of the fiscal year for the simple reason that at the end of the fiscal year, by March 31, 2001, you're actually going to transfer \$405 million into this Fiscal Stabilization Fund. Is that correct?

**Hon. Mr. Cline:** — Yes, subject to legislative approval.

(1630)

**Mr. Toth:** — Thank you, Mr. Deputy Chair. So what you're basically saying to us is that you are currently using the money. And you're using that money to offset the growing debt by paying down debt — is that . . . so that the interest rates are lowered and at the end of the fiscal year, you will then transfer . . . And I guess that's a question I do have. While you're currently . . . you're not showing right now that you actually have that additional surplus of 405. If I read correctly, the 405, which will be transferred which is currently being used, should be actually showing about \$414 million in added surplus that we actually have today, or will have today in your budget until you move that \$405 million into the Fiscal Stabilization Fund.

**Hon. Mr. Cline:** — Well generally speaking, I think that's correct. The only part, I think the only part of the question I would disagree with is the member referred to a growing debt. We don't have a growing debt. We actually have a declining debt. The debt is going down.

But you're right. If we didn't create the Fiscal Stabilization Fund, if we didn't transfer the \$405 million to the Fiscal Stabilization Fund, then we would have a surplus this year of \$414 million approximately — that's right.

**Mr. Toth:** — Mr. Minister, what is the total debt of the province of Saskatchewan?

**Hon. Mr. Cline:** — Well as of this time, the end of the last fiscal year, the total debt of the province of Saskatchewan is approximately \$11.3 billion.

**Mr. Toth:** — Mr. Deputy Chair, Mr. Minister, according to the fall financial report, interim report, it showed the total debt of the province as being \$18.7 billion — isn't that correct?

**Hon. Mr. Cline:** — Well there are different ways to report debt. In fact, even the credit rating agencies, if you look at the attribution of debt to various jurisdictions, will calculate the debt in different ways.

But the debt of the province, according to the summary financial statements that have been approved by the Provincial Auditor as at the end of the last fiscal year, is, according to the summary financial statements — I'll get you the exact, the exact figure so that we can put it on the public record because this figure has been audited by the Provincial Auditor. And I think it's important to note that the debt has been declining each and every year, and we've been making some progress on that score, both reducing the absolute amount of the debt but also reducing the amount of the debt as a percentage of our economy.

The member may be interested to know that in 1993 and '94 our debt was over \$15 billion and it was about 70 per cent of our gross domestic product. But that's gone down now to approximately \$11.3 billion and it's about 38 per cent of our gross domestic product. So we've been making some considerable progress with respect to reduction of debt, and of course we want to continue to do so.

And according to the *Public Accounts* for 1998-99 — this is from the main financial statements which were audited by the Provincial Auditor — the total debt of the province was 11,082,307,000 as of 1998-99. And that is the most up to date audited statement we have with respect to the size of the provincial debt.

**Mr. Toth:** — Well, Mr. Deputy Chair, and, Mr. Minister, Mr. Minister . . . and I'm sorry, I forgot to bring the auditor's interim report, fall interim report, and I hope to have that shortly — but in the auditor's interim report, the auditor points out the fact that the actual overall debt in the province of Saskatchewan is over \$18.7 billion. And I guess what I find interesting, Mr. Minister . . . And you're correct, based on the information you're giving us today, you're showing an \$11.2 billion deficit with a net deficit of about \$9 million.

However, Mr. Minister, there are a couple of funds that you continue to refuse to expose to the people of Saskatchewan and reflect upon the people . . . or let the people of Saskatchewan know what are part of our overall debt that is going to have to be dealt with in the upcoming years.

And the auditor is basically, has been saying time and again, that we need to be upfront with the public of Saskatchewan and indicate what the total debt of the province is. Not what the debt is of a portion of the expenditures in the province of Saskatchewan.

And, Mr. Minister, when we talk about debt, it's not just right to talk about debt in regards to the general revenue pool, but you have to acknowledge the fact, Mr. Minister, that since 1991 the unfunded pension liability in the province of Saskatchewan has grown from 2.7 to \$3.7 billion.

There's other debt that has grown to \$3.8 billion. So when you add 3.7 and 3.8 to the 11.2, you end up with a debt of over \$18.7 billion. Is that not correct?

**Hon. Mr. Cline:** — Well in looking at the *Public Accounts* of volume 1, Mr. Chair — and I can refer the member to page 26, the General Revenue Fund, schedule to financial statements, schedule 6, debt — and it is itemized there that the Crown corporation debts are \$3.428 billion, the general government purpose debt is \$7.654 billion, for a total of \$11.08 billion.

And in addition to that, we have some guaranteed debt that brings our debt as of March 31 of this year to approximately \$11.2 billion.

There are, in addition to those debts that are itemized in the schedule of debt, also unfunded pension liabilities that the member will be aware of. If we added those to the debt as it used to be in 1993, then the debt wouldn't be \$15 billion; it would be some other figure, perhaps up to 18, \$19 billion at that time. And now our debt is 11.8 billion, plus guarantees, debt is about 11.2 billion, plus unfunded pension liabilities which continue to exist.

But I think the point here is, however you look at it, the debt of the province is going down each and every year and has gone down as a percentage of our GDP (gross domestic product) from about 70 per cent to 38 per cent. So, however you cut and slice it, the debt of the province is being reduced.

And on this side of the House we're saying we need to continue to try to reduce the debt instead of passing that on to the next generation.

**Mr. Toth:** — Mr. Deputy Deputy Chair, Mr. Minister. Well we'll acknowledge that the debt is being decreased and being addressed in a number of ways. The unfortunate part is the debt is not just \$11.2 billion as you would like the public of Saskatchewan to believe.

If you were to take the *Report of the Provincial Auditor, 1999 Fall Report Volume 1*, you will find on page 15 that the overall debt, while it has been reduced slightly, is still \$18.7 billion. Now the facts are, Mr. Minister, some government in the future is going to have to deal with some of these funds that are sitting

there.

Since 1991, Mr. Minister, the pension liability that has been pointed out by the auditor has grown by \$1 billion. And I think the former Finance minister said, well we really don't have to worry about that right now because we don't have to pay it out.

Well somebody is going to, somebody is going to have to in the future look after that. So that's going to be have to paid out. Whether you talk about your children . . . and that I guess, Mr. Minister, is what I'm saying.

If you talk about creating a problem for our children down the road, someone is going to have to pay that. Whether it's the interest today or whether it's making up the unfunded pension liability which has continued to grow and other bonds and debentures . . . or not the bonds or debentures, but other forms of liabilities which have grown from 2.7 to 3.8.

And what I would like to know, Mr. Minister, is why you are not being a little more forthright with the province of Saskatchewan. Acknowledging that yes, there are certain areas yet that we're accountable for, that the public in general will have to be accountable for in the future, that we still not have addressed.

While your bonds and debentures and the general revenue pool has gone down, your underfunded pension liability has increased. The other debt area that the auditor refers to has increased as well by over a billion dollars. That, Mr. Minister, as I read this document, is going to have to be addressed as well.

Mr. Minister, what are you doing to address those areas of expenditure that have increased, that in the overall broad picture are still continuing to place a burden on the province of Saskatchewan?

**Hon. Mr. Cline:** — Well what we're doing, Mr. Chair, is not adding to the debt. And we're doing that by operating on a balanced budget. Every time you spend more money than you take in, you go into deficit. The deficit is added to the accumulated debt.

What we have done since 1994-95 when we balanced the budget, is to not operate at a deficit. Therefore we have not added to the debt. And moreover, and I think more importantly, what we're doing is reducing the size of the debt both in absolute terms and as a percentage of the economy. And I'll say to the member that the debt has gone from about 6, well 70 per cent, as I said before, down to about 37.5 per cent of the GDP (gross domestic product) and we project that that will go to 31 per cent of the GDP by year 2004.

And when the member says that that is something we should be concerned about, I agree entirely with the member. And of course as I think is well-known in this province, we have been dealing with the debt and that's why our province has received five credit-rating upgrades in the last four years.

Don't take my word for it, Mr. Chair, or the opposition. I would say look at what the bond-rating agencies say about our debt, and what they say is we're back to the straight A's in terms of

our credit ratings. When we took office we had close to the worst credit ratings in the country. They moved up to the straight A's. We would like to see them move further, and part of the reason for that — I think a very major part — is because of our commitment not to go into deficit, not to add to the debt, but to try to pay that off as we can.

And the member says what are we going to do? What we're going to do is to continue what we have been doing and that is not to add to the debt, not to operate at a deficit, to reduce the debt as we can. That's what we have been doing; that's what we'll continue to do.

The member is correct when he says that we have operating debt. We have Crown corporation debt. We have unfunded pension liabilities. The member is correct when he says these are serious issues. They are, and I say to the member we've been trying to deal with those issues.

I don't think the member wants to get into a debate about what happened in the '80s versus the record of our government and so on. I think he's well aware of the historical facts of how the debt came to be what it is, and we both have our own opinions about that. But I'll say to the member that I hope that he would agree with the position of this government, which is to try to operate at a balance and reduce the debt as we've been doing. And we're going to continue to operate in that same way.

**Mr. Toth:** — Well, Mr. Chair, Mr. Minister, I know your arguments sound impressive but at the end of the day the next . . . at the end of the day when you're no longer sitting in that seat and your government or your party is no longer leading the province of Saskatchewan, somebody's going to be stuck with the fact that you've allowed portions of government responsibility to grow — areas that most of the public are not aware of — and those are going to have to be addressed.

If you think that there wasn't any debt in 1982, you're sadly mistaken. And if there's an area of major complaint certainly one of the problems that had to be dealt with in 1982 was an unfunded pension liability and a teachers' pension plan that was going down the tubes as a result of some of the investments through the '70s and decisions by the former Blakeney government.

And, Mr. Chairman, and, Mr. Minister, when you take a look at these figures here again . . . and if there's anything that I hear especially from teachers and some of the public sector, they're concerned about the fact that the unfunded pension liability has continued to grow and someone is going to have to be accountable for that, and the other debt that has continued to grow.

And it's interesting — I guess it's easier to argue 11.2 and forget about these two funds out here because the public . . . You want to leave that impression that you've really got the debt down to about 9 — I believe — \$9 billion net right now when the reality is, when you add all of it into one large sum, it really isn't down at that low level.

(1645)

There is liability sitting out over here that somebody is going to

have to deal with in the future. And then when a former government has to deal with it — and God forbid that we have another NDP government re-elected in the future — they'll say, yes, you ran a deficit.

Well that government had to deal with trying to address the concerns that the NDP government of the 1990s allowed to grow while they, on one hand, said this area of expenditures is decreasing. We've reduced the debt. Oh yes, you reduced the debt in the general revenue pool, but everything else has grown. Somebody's going to have to live with that.

When are you going to begin to address those areas, Mr. Minister? Or are you just going to continue to reduce the general revenue pool while the other areas continue to grow, basically coming to a saw-off? Isn't that what you're doing, Mr. Minister?

**Hon. Mr. Cline:** — Well, Mr. Chair, the member is skating on thin ice, and I'll tell you why.

First of all, I want to tell the member that when you include all of the debt including pension liability, the debt peaked at one time at about \$20.8 billion. I'm reading from the report of the Provincial Auditor. And today, or at least 1999, I'm happy to say, it is down to \$18.7 billion on that analysis. So it's been reduced by over \$2 billion.

But the reason I say the member is skating on thin ice — and he should be careful about what he's raising here — is that he says, well you know if you leave office, then somebody else is going to have to take over and what if there's a big debt. And I mean that, Mr. Chair, with the greatest of respect to the member from Moosomin, is just frankly the height of hypocrisy for the member from Moosomin to raise.

And I'll tell you why. Because the member from Moosomin was a member of the Devine government of the 1980s. And when the member from Moosomin and his colleagues in the Devine government left office, and this government — and now a coalition government — came to this side of the House, what we found, Mr. Chair, was the highest per capita debt in the nation, the highest per capita deficit in the nation, and our credit rating was in the tank. We had just about the worst credit rating in the country.

So the member wants to talk about what will happen if this government or some other government leaves office and what will people be left with. Well I'll tell you something, Mr. Chair, and I'll tell the member from Moosomin and his colleagues: if anyone took over from this government they would be left with a fiscal house that was in good shape with credit ratings that are back to the straight A's. That's what they'd be left with.

And the member from Moosomin can get on his high horse if he wants to, and he can presume to lecture the people on this side of the House as to financial management, but he is not in a position to do so. He knows it and his colleagues know it and the people of Saskatchewan know it.

Because I'll tell the member from Moosomin something, and that is when this government, the New Democratic Party of that time, now a coalition government, but when the New

Democratic Party came back to office in 1991, what we found was that the number of people that would buy the bonds of the Government of Saskatchewan had gone from approximately 120-some investment houses that would invest in Saskatchewan down to about 23.

Our bonds were trading . . . having the status practically of junk bonds. The pension plan in the city of Saskatoon could not buy bonds of the Government of Saskatchewan because the Government of Saskatchewan was not considered a good credit risk.

Now the member from Moosomin comes in this House and talks about who's doing a good job of fiscal management. Well I'll tell you something, it certainly wasn't the member from Moosomin and his colleague, Grant Devine, and his other colleagues on that side of the House. And I'm sorry to have to point that out, but when the member from Moosomin talks about how a government is going to leave the finances of the province, I think it has to be pointed out, Mr. Chair.

And I'll just say to the member for Moosomin, unlike his government that he was a part of, that ran up the debt of the province, we've been reducing the debt of the province — as the member knows and as the public knows, Mr. Speaker — and that's what we're going to continue to do with or without the co-operation of the member for Moosomin and the rest of his colleagues on the other side of the House.

**Mr. Toth:** — Well, Mr. Deputy Chair, if the minister wants the public of Saskatchewan to really believe that he's offered them some big bouquet, he just has to look at the headlines and he has to talk to people. And the unfortunate part, Mr. Deputy Chair, is that at the end of the day someone is going to have to address the fact that areas of government expenditure have actually grown, because the government hasn't — hasn't — addressed that.

And it's very interesting to note that the minister, certainly while he condemns the former government — and he loves to condemn the former government — but he certainly was . . . didn't condemn the former government when he, when he had the privilege of selling off assets of \$1.3 billion to assist him in reducing his debt. He certainly didn't, he certainly didn't say that, oh, that was such a bad decision back, back in the '80s when there were these investments made, and then the shares were available, and you got \$1.3 billion in sales that you could put against your debt. That's something that the government just neglects.

And I can't really condemn the current minister because the minister wasn't here, sitting on the opposition side of the House, having to deal with some of the difficulties of the '80s as well. But he certainly had a lot of colleagues here who wanted more expenditures in areas such as health and education when the farm economy was really struggling.

And certainly we'll acknowledge, Mr. Deputy Chair, when we look at the, when we look at the budget that we're currently dealing with today . . . and then the minister likes to . . . wants to brag about the fact that he's been able to reduce it. He hasn't acknowledged the fact that he should be a little thankful for the some of the economy we've had.

And I guess right now we certainly don't feel . . . I don't know if we should sorry for the minister because certainly the economy has been struggling a little bit in the last little while.

And I would suggest that the main engine, economic engine of this province certainly isn't out of the doldrums yet when we look at agriculture and we look at what's taken place in the area of agriculture. And I'm sure that must be a concern to the minister and his department because agriculture plays a significant role in the province of Saskatchewan.

But I think as we look through the past few years of fiscal management in the province, what has the government done in really addressing fiscal management? Now the budget document this year is showing that we're going to be taking in about \$6.3 billion, I believe, in revenues.

And I remember back in the late '80s the member currently occupying the seat of Premier indicating that he could operate this province on \$4.5 billion. He could manage it. He could live with \$4.5 billion and reduce the debt. But we see over the past number of years the tax grab in this province is well over a billion dollars more since it was in 1991.

And, Mr. Deputy Chair, so with some of those avenues that the minister has had to work with, he's had a lot of avenues that he can certainly draw on. But at the same time, he's off-loaded a lot of his responsibility onto the backs of the taxpayer. And he's again doing that — even in the budget that they presented.

And while they presented, on one hand, a budget that shows a minimal surplus . . . And we've had some debate over the fact that there's going to be a new fiscal fund of \$405 million and whether that's currently sitting in that fund or whether it's there at the end of the day is a debate that doesn't really . . . really in some ways is irrelevant.

Although the auditor points out the fact that as soon as you build new funds, you want to make sure that you are following those funds very closely and understand them so that you can understand the finances and the fiscal areas of government and understand where the province is going.

Now the minister would like to say that the . . . and the government has been telling us over the last few days that fee increases really aren't a tax. I have to agree with the Minister of the Environment when he basically said that most of the fee increases go into the general revenue pool, which if they're doing that — going to the general revenue pool — Mr. Deputy Chair, that to me is a tax. It's a tax. It's money flowing into the general revenue pool.

I think most of the public believed fees were intended to cover the cost. And I'm not exactly sure . . . From what we're seeing it's more than a cost grab, cost return, it's a tax on the people of Saskatchewan.

So when the minister talks about the fact that he's going to give the people of Saskatchewan, I believe it's this year about \$120 more in their pocket, and yet he's already grabbed some 40 million, 41, \$43 million more as a result of tax incentives . . . but he's already grabbed \$40 million as a result of fee increases in the areas of Tel and Energy and then the expanded tax load

that people are going to have to bear as a result of the expansion of the PST.

And I believe the minister would have to acknowledge that in the Vicq report . . . while the Vicq report did suggest in order to reduce personal income tax, you expand the provincial sales tax and expand it to a lot more items, it also did recommend that you reduce the provincial sales tax.

Now I find it interesting that the minister likes to point out the fact that they followed the Vicq report to the letter. Now if he's criticizing us for not . . . for blaming or criticizing him for expanding the tax, the facts are, Mr. Deputy Chair, is that the Saskatchewan Party did not call for an expanded provincial sales tax. In fact it offered a reduction in the provincial sales tax as well as a reduction in the personal income tax, Mr. Chair.

And I think at the end of the day, Mr. Deputy Chair, what the public of Saskatchewan were looking for in this budget was a real tax . . . some real tax relief. That's what they were looking for. They were looking for some tax relief, and at the same time they were looking for the fact that there would be adequate funding to fund the health care, rather than the longer waiting lists.

Mr. Deputy Chair, we just take a look at 1991 and we take a look at what has been accomplished through the '90s and what do we have, Mr. Deputy Chair, and what is the minister offering us? The minister is trying to tell us that we should be so pleased with this budget. Well you tell someone who's on a waiting list that they should be pleased with the budget.

You tell the senior who now finds that half of the drugs that they must consume in order to have at least some quality of life . . . that they should be pleased with the fact that this budget has expanded their costs. And for that senior living on a limited income, an expanded sales tax covering non-prescription drugs is something that is a cost, is a direct cost to that individual, Mr. Deputy Chair. It's a direct cost to that person that has to deal with . . . And no doubt, every member in this Assembly deals with that on a daily basis.

We have to deal with that fact that people are coming to our offices and basically saying, you know I didn't see a tax cut today. I didn't find that there's going to be . . . In my pocket there isn't a tax saving. Actually you know, when I went and picked up my prescription and some of the non-prescription drugs, I had to dig a little deeper.

And the Minister of Energy and Mines is talking about a tax credit. Well whoop de-do. To the minister, by the time that tax credit arrives — I believe I heard the minister saying next October 31, my feeling . . . (inaudible interjection) . . . October 1, October 1 — my guess is that the person receiving that tax credit, it won't quite fill the hole that's already left by the tax grab that has actually taken place, taken place in people's lives. And while the minister says more than fill it, I doubt it.

Yes I think we, Mr. Deputy Chair, we look for . . . we were going to wait for that day and we're going to really find out whether or not people will experience any kind of tax relief. And that is one of the issues and one of the concerns, and when we're looking at interim supply today, we're certainly

concerned about the fact of the expenditures in dealing with services and the fact that the budget that was presented, in a lot of ways, does not really . . . is not really presenting the public of Saskatchewan with that real tax relief.

Ask the students. Ask the students of this province whether or not they felt there was some tax relief. The \$350 . . . I guess the \$350 if you find a job in the province of Saskatchewan . . . I talked to some students right after the budget debate and they said, well the only thing they thought the \$350 would be good for is because they didn't expect to find a job. If they couldn't find a job, is the \$350 they put it in their pocket, it might buy them the bus fare to go to Alberta so that they could find a real job, Mr. Deputy Chair.

So, Mr. Deputy Chair, when we talk about tax relief, we talk, Mr. Deputy Chair, about meeting the needs of the people of this province. We talk about even this interim supply Bill. What are people looking for? People are looking for something that will give them a reason to look at the province of Saskatchewan, what I believe is one of the greatest provinces to live in — one of the greatest places to be a part of.

And I still believe in this province and unfortunately, Mr. Minister, I'm . . .

**The Chair:** — Order. Order. It being the time of adjournment, the committee will rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 5:02 p.m.

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