

The Assembly met at 10:00.

Prayers

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, on behalf of producers and Crown grazing leaseholders in the region of Cypress Hills, I've been asked to present the following petition:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure current Crown land lessees maintain their first option to renew those leases.

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

Mr. Speaker, this petition is signed by producers and citizens from the community of Sceptre, Tompkins, Swift Current, Regina, and a number from the community of Abbey.

I so present.

**Mr. Stewart:** — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with the dangerous and deplorable condition of Highway 58 between Chaplin and Shamrock. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action and make necessary repairs to Highway 58 in order to avoid serious injury and property damage.

This petition is signed by individuals from the communities of Shamrock and Hodgeville.

I so present.

**Mr. Wall:** — Thank you, Mr. Speaker. It's again a privilege to rise on behalf of residents of my hometown concerned about the state of the hospital there. And their petition, the prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to commit its share of funding for a new regional hospital in Swift Current.

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

Mr. Speaker, all the petitioners again this morning have signed from the city of Swift Current.

I so present.

**Mr. Brkich:** — Mr. Speaker, I have a petition here dealing with prescription drug costs.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reinstate a reasonable annual deductible amount for prescription drugs in Saskatchewan.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Davidson, Kenaston, Regina, Liberty.

I so present.

### READING AND RECEIVING PETITIONS

**Deputy Clerk:** — According to order the following petitions have been reviewed and are hereby read and received.

A petition concerning repairs to Highway 42 in the Arm River constituency; and

Addendums to previously tabled petitions being sessional papers nos. 5 and 12.

### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Brkich:** — Thank you, Mr. Speaker. I give notice I shall on day no. 14 ask the government the following question:

To the minister responsible for the Crown Investments Corporation: what is the policy for SaskPower regarding the policy for fighting fires caused by the failure of power transformers, power lines, power poles, and related equipment; are these costs the responsibility of SaskPower where it's clear that the equipment has caused the blaze; further to that, in 2002 how many claims were made against SaskPower and were the claims honoured?

### INTRODUCTION OF GUESTS

**The Speaker:** — Members of the Legislative Assembly, ladies and gentlemen, I want to extend a special welcome to all who have come here today. And I want to thank you for coming and we hope that you enjoy the proceedings.

**Mr. Elhard:** — Thank you, Mr. Speaker. To you and through you to the House and our assembled guests today, I would like to take this opportunity to introduce a school group from the community of Abbey. Mr. Speaker, this is the fourth consecutive year I've had this privilege. I don't think four years represents their commitment though. I believe that this school has been represented at the budget day presentation for the last five, maybe more, years.

This group of people got up at 5 o'clock, or were on the road by 5 o'clock, and that does show a commitment. It's part of their educational experience. And so, Mr. Speaker, in your gallery, I'd like to introduce the students from Abbey School and their chaperones and teacher, Mr. Alan Colpitts.

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

**Hon. Mr. Calvert:** — Mr. Speaker, with the member I would

want to welcome the students, but I would also want to welcome all of the guests who are joined with us today in the Legislative Assembly.

As I look at the many, many guests who are here and I think gathered in other rooms within this building, I see very much the fabric of Saskatchewan. We have citizens. We have young people. We have community leaders. We have people that work in health, in education, in the disabled community, and volunteer organizations. Very much is reflected today of the very fabric of Saskatchewan and I want to welcome all of you who are here today as guests of the legislature.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. And on behalf of the Saskatchewan Party official opposition, I would like to join with the Premier in welcoming the many guests from all over Saskatchewan who are here for the occasion of the provincial budget.

I see many friends from many parts of the province who have contributed greatly to the province in the past and I know that they will continue to contribute in the future. And we appreciate their interest in provincial affairs.

I also see many Saskatchewan Party nominated candidates and particularly would like to welcome them, and ask all members to give a warm welcome to our many guests.

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

**Mr. Hillson:** — Thank you, Mr. Speaker. Mr. Speaker, indeed one of the things that makes budget day so special in this province is that we do have the opportunity to welcome community leaders from the entire length and breadth of this province. And on behalf of the entire Liberal caucus, I want to welcome them and thank them for being with us today.

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

## STATEMENTS BY MEMBERS

### 72nd Wedding Anniversary Congratulations

**Mr. Gantefoer:** — Thank you, Mr. Speaker. Mr. Speaker and members of the legislature, two years ago I had the pleasure of asking you to extend warm congratulations to Mr. Gordon and Mrs. Edith Taylor on their 70th wedding anniversary.

On Saturday, March 22, this amazing couple celebrated their 72nd anniversary. They are still looking after each other and enjoy visits from friends, 6 children, 10 grandchildren, and 17 great-grandchildren. This couple has lived through many of life's trials, including the Great Depression. In spite of the troubles they have endured, the dedication of these two continue to have each other's . . . warms the hearts of everybody as they see them and know them.

On their 70th anniversary Gordon's comment about their marriage was, and I quote:

It gets better as time goes along. We were happy when we

got married, and we're still happy about it.

Mr. Speaker, again it is with delight that I ask the Assembly to join me in congratulating this special couple for celebrating their 72nd wedding anniversary.

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

### Good News for Saskatchewan's Economy

**Ms. Lorjé:** — Thank you, Mr. Speaker. We're all looking forward today to hearing the new Minister of Finance present his first budget — his first of many, I might add. And I predict that listening to it will be a rewarding experience.

Before he stands up though, let me prepare the way by telling you some more good news about Saskatchewan.

The budget will be good. And why? Well for one reason, according to the chief economist of Scotiabank, Saskatchewan's economy will grow faster than the national average this year. Our economic growth will be driven by the oil and gas industry, but not just by this one sector.

We have in Saskatchewan a diversified economy. Just look at our strong growth in employment, in retail sales, in motor vehicle sales, and in mining and manufacturing.

The Scotiabank is not the only bank high on Saskatchewan. The TD (Toronto Dominion) Bank, the Royal Bank, the CIBC (Canadian Imperial Bank of Commerce), BMO Nesbitt Burns, and even the Conference Board of Canada all say we will outstrip the nation in growth. This prediction, Mr. Speaker, comes from the banks of Canada, rock-solid institutions of fiscal caution and financial prudence. We can trust their predictions.

Who doesn't trust them? Well how about the political party that claims to be the grassroots of democracy; the party that says our economy won't grow; the party that knows something the banks and Conference Board apparently don't know. The election . . .

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

### National Aboriginal Achievement Awards

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, today I would like to pay tribute to three outstanding members of the Aboriginal community from Saskatchewan who will be honoured tonight at the 10th annual National Aboriginal Achievements Awards. And they are Matthew Dunn, John Arcand, and Gary Bosgoed. These individuals are being recognized for their contributions to the betterment of life in Aboriginal communities and to Canada as a whole.

Matthew Dunn is a fourth-year Métis student in the University of Saskatchewan's mechanical engineering program, with hopes of becoming an astronaut. He is this year's recipient of the \$10,000 Youth Achievement Award. Matthew plans to use this prize to pursue a master's degree in aerospace engineering upon graduation. Matthew has earned numerous scholarships, received academic and citizenship awards, and is Saskatchewan's representative in the national Native role-model

program — a true leader for tomorrow.

John Arcand, the undisputed master of the Métis fiddle, is recognized in the arts and culture category. John is a ninth-generation Saskatchewan Métis fiddler who has ensured that the Métis culture remains vibrant and strong, in part through his founding of and instruction at the Emma Lake fiddle camp.

Gary Bosgoed, based in Regina and one of Canada's leading Aboriginal entrepreneurs, received the Business and Technology Award; the founder and operator of Bosgoed Project Consultants, a one-of-a-kind enterprise in Canada.

Congratulations to these three recipients of National Aboriginal Achievement Awards.

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

#### **Newcomers to Saskatchewan**

**Ms. Hamilton:** — Thank you, Mr. Speaker. Here's something that I'm sure we can all agree is good news for Saskatchewan. Mr. Speaker, in an article in the most recent issue of *Saskatchewan Business* magazine, Paul Martin states that the province is experiencing a new wave of immigration.

In the article, Mr. Martin talks about more than 150 people gathering for a dinner held in Yorkton to, and I quote:

... to recognize a host of newcomers, immigrant farmers who ... (have) moved to the area from as far as England and Germany, although most ... were from Alberta. Yes, Alberta.

Mr. Martin also goes on to say that the new wave of immigration is not restricted to individuals who have never been here before. And he tells the story of a young couple who moved to this province ... from this province to Alberta two years ago after graduating from the U of S (University of Saskatchewan). Now the couple, and again I quote:

... are back in Saskatchewan and have never been happier.

Mr. Martin also tells that this couple is not alone. The young man in question has, since his return, tracked down another dozen members from his graduating class that have returned to Saskatchewan after moving to Alberta.

Mr. Speaker, a new wave of immigration; Saskatchewan young people returning. A vision, a plan, a future wide open.

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

#### **Estevan Students in Great Canadian Geography Challenge**

**Ms. Eagles:** — Thank you, Mr. Speaker. Mr. Speaker, Mason Schick will be the Estevan Junior High School's representative at the Great Canadian Geography Challenge provincial finals on April 5.

Mason earned a berth in the provincial finals by outlasting his

fellow students at the Estevan Junior High in his respective classrooms and then out-duelling all other competitors in the school.

Mason, a grade 8 student, will have his work cut out for him since he will be up against top geography counterparts from grades 7 to 9 from every corner of the province.

Mr. Speaker, a few weeks ago Stewart Wright captured a berth in the finals as a representative from the Estevan Comprehensive School. Stewart is a former winner from the Estevan Junior High. This will be the first time Estevan has played host to the geography challenge and between 20 and 25 finalists will line up for the provincial meet.

Mr. Speaker, I ask all members to join me in congratulating these two Estevan students and all competitors from the different areas of the province.

Thank you.

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

(10:15)

#### **Economic Indicators**

**Ms. Jones:** — Thank you. Mr. Speaker, here's more good news from Regina and Saskatoon. The Regina Chamber of Commerce recently released their 2003 economic indicator survey. And this government wasn't at all surprised to learn that the Regina business community has confidence in the growth of the Regina and the Saskatchewan economy.

Respondents say that they expect to see a steady, positive growth in the Regina economy, and that they are more likely to hire new staff this year than they were last year, and they intend on paying them more. They also believe that the government's top priority should be attracting new private investment, which is exactly what we plan to do.

And, Mr. Speaker, numbers released by the Saskatoon Regional Economic Development Authority reveal that Saskatoon in 2002 had one of the strongest growth rates of total employment among metro areas in the country — surpassing Calgary, Toronto, Vancouver, and Halifax. It was also noted that Saskatoon's population has the youngest median age of any major city in Canada.

Mr. Speaker, this government is proud to work closely with the business community to help develop an environment that will lead to growth and prosperity for businesses and their employees and their customers. Mr. Speaker, we have a vision and a plan; and, Mr. Speaker, clearly that plan is working.

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

**The Speaker:** — Order, please. I know that our guests really do appreciate the work that our members do. And I know that the members really do appreciate any applause that they can get, any time. However I do ask all guests to contain themselves in their eagerness and the participation on the floor should be only by members.

### Arm River Constituents Complete 25 Years of Service in Crop Reporting Program

**Mr. Brkich:** — Thank you, Mr. Speaker. I am pleased to rise today in the House to give well-deserved praise and recognition to three of my constituents — Dave Ehman of Craik, Fred Headford of Bethune, and Norm Langager of Strongfield — the three gentlemen who now have completed 25 years of the Saskatchewan crop reporting program.

These men and others from around the province are being honoured by . . . this month for their great contribution to Saskatchewan's most important industry. Their continuing work towards assessing our crop year, year in and year out, provides invaluable tool, not only for provincial authorities and Sask Crop Insurance officials, but as a way of farmers helping other farmers to get a complete provincial picture of each year's crop status.

The continued accuracy of these ongoing reports indicate a degree of professionalism among the farming community that continues to carry farmers through tough times. It is very important that this Assembly recognize these 25 years of continuous service for these three Arm River residents, indeed.

It can be said that if the members opposite were as committed as these individuals towards helping the farming community, perhaps our provincial farmers would not be going through such hard times.

On one hand, we have three good men who have volunteered their service for over 25 years on behalf of the farming community, while on the other hand we today have a government that only doesn't support the farming community but takes actions like increasing crop insurance premiums by 52 per cent. This is hardly the kind of thing that helps farmers in a way whatsoever.

I would call on the members to join me in congratulating these three gentlemen on their remarkable contribution to our province's most important industry. Thank you, Mr. Speaker.

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

## ORAL QUESTIONS

### Provincial Finances

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. Well, Mr. Speaker, this is quite a week for literature in Saskatchewan. The former Finance minister, Janice MacKinnon, has put out her new book — a major work of non-fiction. And in just a few minutes the new Finance minister is going to put out his first major work of fiction — the provincial budget.

Mr. Speaker, the minister continues to tell us the budget is balanced while at the same time admitting the government will have to take more money that isn't there out of its imaginary bank account that doesn't exist.

Mr. Speaker, Saskatchewan people will probably buy Janice MacKinnon's book but they aren't going to buy this minister's fiscal fiction. Mr. Speaker, how large will the deficit be in this

year's budget?

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

**Hon. Mr. Calvert:** — Mr. Speaker, the critic for Finance in the opposition should just wait a few moments and he will have all of his questions answered by the Minister of Finance.

But let me answer this question that he puts in his comment. He asks, how large will the deficit be in this budget? The answer is, this will be a balanced budget.

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

**Hon. Mr. Calvert:** — Mr. Speaker, I recall last year at budget day that same critic — or that same leader, I'm not sure which — stood up, asked the very same question, said to the government, how big is the deficit going to be?

I want to report, Mr. Speaker, to the members this morning, that in this fiscal year now concluded, not \$1 has been taken from the Fiscal Stabilization Fund.

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

**Hon. Mr. Calvert:** — Our revenues have balanced our expenditures.

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

**Mr. Krawetz:** — Mr. Speaker, let's go through this again. The minister says . . . the Premier says he's going to balance the budget using the Fiscal Stabilization Fund.

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

**Mr. Krawetz:** — Mr. Speaker, the Fiscal Stabilization Fund, according to the Provincial Auditor, has no money in it. So the deficit is going to magically turn into a surplus using imaginary money from a make-believe bank account that doesn't exist. I think the Premier made a big mistake. He should have named Harry Potter as the new Finance minister.

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

**Mr. Krawetz:** — Mr. Speaker. I'm not the only one questioning the NDP's (New Democratic Party) voodoo economics. So is Janice MacKinnon, who calls this deficit budgeting. Why doesn't the NDP just admit Janice is right and admit they are running a massive deficit?

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

**Hon. Mr. Calvert:** — Our Finance critic has now turned into a book critic. Mr. Speaker, I know . . . I know the book, I know the book that Saskatchewan people, border to border, are waiting for. It's the book by Grant Schmidt. That's the book that we'll be waiting for.

Now, Mr. Speaker . . . Mr. Speaker, the facts of the matter are these. When times were very good, this government had the prudence to set aside monies for a rainy day — had the prudence. If I may say, Mr. Speaker, exactly the same prudence

was shown during the 1990s when, in difficult times, savings accounts were used to balance budgets. Nothing new here — nothing new.

The fact of the matter is this though, Mr. Speaker. In this current fiscal year now ending today, we have been able to balance the books of the province without one penny withdrawn from savings.

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

**Mr. Krawetz:** — Mr. Speaker, let's just read one more time what Janice MacKinnon had to say and I quote:

The new government was going to increase spending by about eight per cent when revenues were declining, which meant that balancing the budget would require a major drawdown of reserves. So I would have to support a deficit budget (a deficit budget) after all the years I had spent fighting deficits.

Mr. Speaker, those are not my words. They are the words of former NDP Finance minister, Janice MacKinnon, who quit this government because the new Premier decided to take Saskatchewan back to the deficit days of the 1980s.

Mr. Speaker, why can't the NDP just tell us the truth. How large is the deficit in today's budget?

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

**Hon. Mr. Calvert:** — I'll give the opposition this. If there's any group of men and women of the province of Saskatchewan who know about deficits, it's that group over there.

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

**Hon. Mr. Calvert:** — I'll give them that.

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

**Hon. Mr. Calvert:** — Mr. Speaker, here are the facts. Here are the facts of the matter. Here are the facts of the matter. When this government assumed office in 1991, following that group of men and women in power, this province had racked up the worst debt per capita ratio anywhere in Canada, the worst debt to GDP (gross domestic product) ratio anywhere in Canada.

I can report to you today, Mr. Speaker, as a result of the work of this government, we now have the fourth, the fourth best debt to capita relationship in the country, and we are second best, debt to GDP, across Canada.

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

**Mr. Krawetz:** — Mr. Speaker, I think the Premier needs to look at the Provincial Auditor's report and clarify the numbers. In 1991 the Provincial Auditor has revealed that the debt of this province was \$12.1 billion, okay. There is a suggestion by the end of this fiscal year that we're going to be in excess of \$12 billion worth of debt — larger than what occurred in 1991.

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

**Mr. Krawetz:** — Mr. Speaker, for six years the NDP didn't tell us the truth about SPUDCO (Saskatchewan Potato Utility Development Company). They only told the truth when it came out in court. The NDP didn't tell anyone about the millions of dollars of misspending by Dutch Lerat and SIGA (Saskatchewan Indian Gaming Authority). They only told the truth when they got caught by the Provincial Auditor. And now they won't tell the truth about the deficit.

Mr. Speaker, no one believes that this is a balanced budget. The Provincial Auditor doesn't believe it; Janice MacKinnon doesn't believe it; and no one in Saskatchewan believes it. Why doesn't the NDP just tell the truth — how big is the provincial deficit?

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

**Hon. Mr. Calvert:** — The people of Saskatchewan, members, and the people of Saskatchewan have an option. You can believe the critic of the Finance in the opposition and you can believe the Leader of the Opposition, or you can believe the Dominion Bond Rating Service of Canada, you can believe Moody's of New York, you can believe Standard and Poor's. Each one have given this government credit rating upgrade based on our fiscal management of the public purse.

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

**Hon. Mr. Calvert:** — So you believe them or you can believe the bond rating agencies of Canada and North America. I ask the public to take your pick.

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

### Financial Support for Education

**Ms. Draude:** — Thank you, Mr. Speaker. At the recent SARM (Saskatchewan Association of Rural Municipalities) convention the Premier and some of the ministers hinted to delegates that there would be a significant announcement regarding property tax funding of education in this budget. This has municipalities and school boards and property tax payers right around this province very excited that they might actually receive a break from this government. Lessening the burden on property tax payers would definitely be a good move, a move that the Saskatchewan Party could support.

Mr. Speaker, now is not the time for more discussion or thought. Now is the time for action. Will property tax payers receive a break today? Will the province increase their share of educational funding in this budget?

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

**Hon. Mr. Calvert:** — Mr. Speaker, again I would ask the member simply to just have a little patience. It's about 10 minutes now, I think, before the Minister of Finance will stand . . . (inaudible interjection) . . . Sixteen minutes? Sixteen minutes till the Minister of Finance will stand in his place.

I can inform the member of two things. There will be a significant announcement regarding the funding of education in Saskatchewan, an announcement that will take us forward in

partnership, in consultation, with the people of Saskatchewan. I can tell her that there will be increased, substantially increased support for our municipal governments in this budget, Mr. Speaker.

And I can remind her that this government, every budget since we've been around here, have been reducing the tax load on Saskatchewan people. We set out, Mr. Speaker, to implement the most significant reform of the personal income tax system in the history of this province. This means that thousands and thousands of dollars are being saved from the average Saskatchewan family.

Mr. Speaker, we make a plan and we put the plan in place. It's balanced and it will be sustainable.

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

**Ms. Draude:** — Mr. Speaker, I'd like to remind the Premier that Saskatchewan taxpayers pay the highest portion of education tax of any province in Canada.

Mr. Speaker, last year a new collective agreement was reached with the province's teachers. When the Finance minister was the minister of Learning, he told the Saskatchewan School Trustees Association that he would strongly advocate funding to cover the increased salary costs with his cabinet colleagues. Mr. Speaker, on top of those costs, school boards are also facing increase in energy, insurance, transportation, instructional costs — just to name a few.

The SSTA (Saskatchewan School Trustees Association) projects a total increase in operating costs of over \$38 million this year. And that's just to maintain the status quo. That does not allow for any enhancements or the addition of new programming like the School<sup>PLUS</sup>.

Mr. Speaker, now that the former minister of Learning controls the provincial purse strings, did he transfer his knowledge about the needs of the education system to Finance, and will this budget commit at least \$38 million to sustain the education system?

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

**Hon. Mr. Calvert:** — It's now 13 minutes the member has to wait to understand the total, the total commitment that this government will make to education. And she and the people of Saskatchewan will be very, very pleased about this government's commitment in this budget to education.

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

(10:30)

**Hon. Mr. Calvert:** — I want to remind the member that over the last several years this government has increased by 42 per cent, by 42 per cent, the support per student to all of our students in K to 12 (kindergarten to grade 12) education.

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

**Hon. Mr. Calvert:** — And, Mr. Speaker, we have doubled the

number of community schools. We have virtually doubled the number of pre-kindergartens. We have invested in our post-secondary institutions. Because this is a government that believes in the future; this is a government that believes in education.

Unlike, Mr. Speaker, the group opposite who in the last election campaign went to the people of Saskatchewan and you know what they said? They said the increase for education will be at the rate of inflation, absolutely freezing funding to education. That was their commitment.

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

**Ms. Draude:** — Thank you, Mr. Speaker. I'd also like to remind the Premier that we have 15,000 fewer students in this province now because of that government.

Mr. Speaker, when the minister leaked his budget to the news media last weekend — what the minister now calls speculation — he said there was going to be an increase in the education budget this year. So let's hope that's true today and that his budget will contain at least \$38 million more, needed for school boards to maintain their existing budgets.

But another concern is how the increase will be distributed. If the province increases the operational funding to school boards this year through the foundation operating grant, there's still going to be 18 school boards who won't receive one red penny from this government.

Mr. Speaker, will the minister tell this Assembly if there'll still be school boards in Saskatchewan that will receive no funding from this government this year?

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

**Hon. Mr. Calvert:** — Mr. Speaker, I don't pretend to have all the expertise about the educational funding and the foundation operating grants. But I think it's well known to most everybody in Saskatchewan that those areas of the province where the economy is booming will not receive the share, will not receive the share of funding of other areas. And the fact of the matter ...

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

**Hon. Mr. Calvert:** — So the fact of the matter is it's very good news that we have such a hot economy that this support is there.

Mr. Speaker, I want to talk about something that occurred in this province yesterday, when we want to talk about children and education. Yesterday this government, the minister of community resources and employment and I, announced the largest single increase in child care spaces in the history of Saskatchewan. That's what we announced yesterday.

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

**Hon. Mr. Calvert:** — And, Mr. Speaker, as a result of that announcement I received a short e-mail from someone who is interested and involved in child care in our province. And she concluded this little e-mail by saying to myself, quote:

(Mr. Premier) Your gov't has 'dared to care.'

This is a government that dares to care about the young people of Saskatchewan.

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

### Support for Agriculture

**Ms. Harpauer:** — Thank you, Mr. Speaker. I would like to challenge the Premier to go out into rural Saskatchewan and tell the farm families of this province that their economy is booming.

My question, Mr. Speaker, is for the Minister of Agriculture. Farm families across Saskatchewan are anxiously waiting today's provincial budget. Just three years ago — the Premier's first Throne Speech — there was a big commitment to agriculture and rural revitalization. But since then, Mr. Speaker, Saskatchewan agriculture producers have suffered through two years of severe drought.

And not only has the NDP government cut crop insurance programs and hiked the premiums; the Premier's much publicized Department of Rural Revitalization has all but disappeared. Mr. Speaker, I sincerely hope the Saskatchewan agriculture community will not be disappointed with today's budget.

Will there be an increase in funding for the Department of Agriculture?

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

**Hon. Mr. Serby:** — Mr. Speaker, the member needs to wait for a couple of more minutes and she too will hear what the funding in the Agriculture budget will be.

But I can tell you, Mr. Speaker, that on this side of the House, and that producers who have been working with me to develop an agricultural policy for Saskatchewan have said that they don't want to have the direction from the Saskatchewan Party in building an agricultural policy because, Mr. Speaker, the last time that the minister was on her, or the member was on her feet, a couple of days ago — from Watrous — what did the member say? She said that we should take the crop insurance program and we should amortize it out over eight or nine years, Mr. Speaker, is what she said.

And we already have an amortization of the crop insurance program today for 15 years, Mr. Speaker. She wants it amortized down to eight or nine, Mr. Speaker. That would add to Saskatchewan producers today an additional 40 per cent on their bill, Mr. Speaker.

So we're not asking the Saskatchewan Party for farm policy, Mr. Speaker, because they don't have any. And when they do talk about it, it doesn't work, and it costs Saskatchewan farmers more, Mr. Speaker.

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

**Ms. Harpauer:** — Thank you, Mr. Speaker. Mr. Speaker, the

Agriculture minister has signed the agreement of intent to participate in the new agricultural policy framework agreement with the federal government. But unlike other provinces like Ontario and Quebec who are raising concerns about the design of the new program, the minister stated this week that he intends to sign the agreement of implementation for the APF (agricultural policy framework) very, very soon.

Mr. Speaker, if the minister will not agree with the other provinces and support a call for an extension of the existing programs for one year until the new program details can be worked out in the best interest of the Saskatchewan farm families, will the minister then commit that there will be significant and adequate funding in today's provincial budget to fund Saskatchewan's participation in this new APF programming?

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

**Hon. Mr. Serby:** — Mr. Speaker, I would ask for the member from Watrous to produce to the people of Saskatchewan where I have ever said that I'm prepared to sign the implementation agreement. I would like to see that, Mr. Speaker, because it is absolutely nowhere in quote.

I want to say, Mr. Speaker, to the member from Watrous this — in this province and in this country, we were the last minister to sign the agricultural policy framework agreement, Mr. Speaker. Why was I the last to sign the agricultural policy agreement, Mr. Speaker? Because we wanted a better deal for farmers in Canada, Mr. Speaker, and for Saskatchewan and that's why we haven't signed.

The member from Watrous asked us to sign the agricultural policy framework in June, Mr. Speaker. And today, she's asking us to sign an implementation agreement, Mr. Speaker, which will undo — undo — the Fredericton formula that we've worked to.

And she says to me, we should sign with Ontario. Why doesn't Ontario like the agricultural policy framework, Mr. Speaker? Because we've taken the Fredericton formula away from Ontario, put more money into western Canadian farmers. And the member from Watrous wants us to sign an agreement which gives Ontario and Quebec more money again. Shame, Mr. Speaker, on the member . . .

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

### Saskatchewan Indian Gaming Authority

**Ms. Bakken:** — Mr. Speaker, Saskatchewan people are absolutely outraged about the NDP's negligence when it comes to overseeing gaming revenue in this province. And according to the Provincial Auditor, this is public money. But how was it spent?

This, Mr. Speaker, is a list of Dutch Lerat's spending over one year — one year — while the First Nations people in this province live in poverty.

This is what this government and this minister turned a blind eye to. We have on this list: Edmonton Oiler tickets; WWF

(World Wrestling Federation) tickets in New York; limos in New York; tickets to Australia; jewellery; Kon Tiki holidays; hotels in Vegas, Barbados, France, Florida, Barcelona; Toys 'R' Us; sunglasses. The people of Saskatchewan even paid for Dutch Lerat's groceries.

Mr. Speaker, who is responsible for this flagrant abuse of public money and who is going to be held accountable?

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

**Hon. Mr. Osika:** — Thank you, Mr. Speaker. As the member has indicated, obviously nothing's been hidden. There were issues. They were addressed.

And let me just once again remind the member, SLGA (Saskatchewan Liquor and Gaming Authority) ordered a special investigation, a special audit which comprehensively reviewed those issues, Mr. Speaker.

The Provincial Auditor has conducted his report on this file and reported in November 2000. The RCMP (Royal Canadian Mounted Police) has investigated the file, Mr. Speaker. The Justice department has reviewed this file and made its decisions.

Mr. Speaker, I would hope that that . . .

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

**Hon. Mr. Osika:** — Mr. Speaker, I just hope that that member would join her leader, the Leader of the Official Opposition, in celebrating the good news, and not living in the past when . . . and I quote the article from *The StarPhoenix* of February:

Hermanson praised the FSIN for running a successful gaming business and complimented it for addressing "governance challenges" at SIGA.

Mr. Speaker, where are they coming from?

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

**Ms. Bakken:** — Mr. Speaker, unfortunately, as the minister indicates, this is not about the past; it is about the present. This is why taxpayers are so outraged. Eight hundred thousand dollars down the drain because of Dutch Lerat's misspending. But now, under this minister's watch, another \$550,000 was misspent. This is after the Dutch Lerat scandal.

In the Provincial Auditor's Report from fall of 2002, the auditor states, and I quote:

SIGA paid \$400,000 to the FSIN and \$150,000 to Saskatchewan Indian Gaming Licensing . . . Although Liquor and Gaming specifically approved these payments, we think the 1995 Casino Operating Agreement does not authorize those payments.

Mr. Speaker, why is Saskatchewan Liquor and Gaming still authorizing payments that are not allowed under the casino operating agreement, and who is going to be held accountable?

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

**Hon. Mr. Osika:** — Thank you, Mr. Speaker. The . . . I just want to remind the members and the public again that SLGA has recovered the \$1.36 million that was misspent or mismanaged. That includes the monies that goes to the Associated Entity Funds and for community development projects.

And, Mr. Speaker, I want to remind once again, and assure the members, that with the changes that have been made at SIGA, changes that have significantly reduced the expenditures and have increased the profits from 2000-2001, from \$13.4 million to \$24.8 million, Mr. Speaker, monies that will benefit the entire communities, all the communities throughout this great province.

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

**Ms. Bakken:** — Mr. Speaker, \$800,000 has not been paid back — it is gone. And there is another \$550,000 that has gone missing under this minister's watch. And this minister thinks it's okay. Well it is not okay.

The people of Saskatchewan are outraged and especially the First Nations people are outraged. This is their money. This is public money. And this minister and this government has chosen to turn a blind eye to this flagrant abuse of public money.

Mr. Speaker, why is Saskatchewan Liquor and Gaming and this minister still allowing this to happen? Who knew about the spending and who is going to be held accountable by this government?

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

**Hon. Mr. Osika:** — Mr. Speaker, the members opposite are great for accusations, innuendoes, with no facts, and not proper facts. Mr. Speaker, if there are accusation being made about this minister or anybody in SLGA, please, I would hope she would repeat them outside of this legislature.

Mr. Speaker, we have a Public Accounts Committee which scrutinizes government expenditures and has the legislative authority to call SLGA. SLGA would be pleased to tell the Public Accounts Committee and . . . about accountability and respond to any questions the members have that are specific to the issues that they are concerned about First Nations. I'm not so sure they are, Mr. Speaker.

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

## ORDERS OF THE DAY

## WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker. I'm very pleased today to stand on behalf of the government and table a response to written question no. 4.

**The Speaker:** — Response to question 4 has been tabled.



## GOVERNMENT ORDERS

## TABLING OF ESTIMATES AND SUPPLEMENTARY ESTIMATES

**Hon. Mr. Melnychuk:** — Mr. Speaker, it is my pleasure to submit the estimates and supplementary estimates, accompanied by a message from Her Honour the Lieutenant Governor.

(10:45)

**The Speaker:** — Would all please rise for the message from the Lieutenant Governor. The message is as follows:

The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 2004, and supplementary estimates of certain sums required for the service of the province for 12 months ending March 31, 2003, and recommends the same to the Legislative Assembly. (Signed), Lynda Haverstock, Lieutenant Governor, province of Saskatchewan.

Please be seated.

**Hon. Mr. Melnychuk:** — Mr. Speaker, I move, seconded by the Premier:

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

Motion agreed to.

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

MOTION FOR COMMITTEE OF FINANCE  
(BUDGET DEBATE)

**Hon. Mr. Melnychuk:** — Good morning, Mr. Speaker, my hon. colleagues. Before I begin, I'd like to take a moment to introduce some of the special guests who have joined us here today. My wife, Donna, my soulmate and life partner, is here with us today.

I'd also like to welcome Norm and Delva Rebin who are very good family friends, and I must add, social activists, educators, entrepreneurs, recent recipients of the University of Saskatchewan's Humanitarian Award — the Alumni Humanitarian Awards — and also the Queen's Jubilee Medal, Mr. Speaker.

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

**Hon. Mr. Melnychuk:** — And Vernice McIntyre, a retired teacher from Saskatoon East and my very capable constituency assistant.

I'd ask all members to welcome them here.

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

**Hon. Mr. Melnychuk:** — And I'd like to welcome everyone

here today.

Mr. Speaker, in the Lieutenant Governor's Throne Speech she outlined broad plans for the government. She talked about the government's vision for a future that's wide open. I'm here today to tell you how we are going to implement those plans, how we are building for the future of this province.

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

**Hon. Mr. Melnychuk:** — Building for the future means having healthy and self-reliant families. It means having opportunities for youth. It means having a prosperous and competitive economy. It means having modern and competitive infrastructure and it means having strong and vibrant communities.

This is a budget that makes a record 2.5 billion investment in health and a record 1.2 billion investment in education.

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

**Hon. Mr. Melnychuk:** — A budget that increases revenue sharing to municipalities by over 15 per cent for northern, rural, and urban municipalities.

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

**Hon. Mr. Melnychuk:** — A budget that invests 296 million in road and highway improvements.

And, Mr. Speaker, a budget that will invest 145 million for research and development, R&D expenditures and tax credits.

A budget that will see more than 300 million in capital projects.

A budget that will see our Crown corporations invest 650 million to expand and upgrade their services, and a budget that will build our economy through tax reductions and incentives for business.

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

**Hon. Mr. Melnychuk:** — Now before I get into further details, Mr. Speaker, I will point out that we are now forecasting a 2.1 million surplus for last year with no transfer from the Fiscal Stabilization Fund and no equalization dollars from Ottawa, Mr. Speaker.

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

**Hon. Mr. Melnychuk:** — That's right, Mr. Speaker, the fiscal year that ends in just a few short days has had such a dramatic rebound in the fourth quarter that the Fiscal Stabilization Fund balance is fully available to balance the '03-04 budget, with a further 102 million available for the '04-05 budget year, Mr. Speaker.

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

**Hon. Mr. Melnychuk:** — This fund has served its purpose well, allowing us to make transfers as required, using discretion and fiscal prudence. And of course if the fund is not needed in

any given year as it was not needed last year, it is available to subsequent years to ensure that services can be maintained without wild shifts in taxation levels or expenditure plan changes.

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

**Hon. Mr. Melenchuk:** — And as the former minister of Finance said all the way along — and I will continue with the same message — we have a plan. It's balanced and responsible. We take all the fluctuations in stride and plan the best course of action accordingly.

We did it all of last year. It's what we've done with the budget this year and it's what we will continue to do, Mr. Speaker.

That said, Mr. Speaker, it's no secret that we in Saskatchewan have faced a tough couple of years. Two years of drought have taken a toll. But in spite of the challenges our economy is back on the right track with positive growth. In fact with the return to normal crop production, our economy is expected to grow by a whopping 6.8 per cent in 2003.

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

**Hon. Mr. Melenchuk:** — Exceeding 32 billion in real GDP, Mr. Speaker.

Now I would also say that in spite of the challenges and the disappointments of the members opposite, we have still managed to fulfill key commitments to the people of this province. Our commitment to financial management has been recognized by independent sources and respected credit rating agencies, with the province receiving 10 credit rating upgrades since 1995, Mr. Speaker.

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

**Hon. Mr. Melenchuk:** — And, Mr. Speaker, our record on tax reform speaks for itself. We have been lowering taxes over the last decade, and during the last three years we have made dramatic reductions. A family of four earning \$50,000 annually has had a 37 per cent reduction in personal income tax.

As well, we have eliminated the flat tax, the high-income surtax, and the debt-reduction surtax. We have reduced taxes . . . rates three times in the last three years. Mr. Speaker, building for the future means having a plan and sticking to it.

Now, Mr. Speaker, I outlined some of our key priorities at the beginning of my address; now I'm going to go into a little more detail.

Mr. Speaker, our government is undertaking many initiatives to support our goal of having healthy and self-reliant Saskatchewan families. We are providing 19 million in funding for medical equipment this year, such as a new CT (computerized tomography) scanner in Yorkton and Moose Jaw, and a permanent location of a CT scanner in Swift Current, Mr. Speaker.

We are also providing 27 million in health capital funding this year and an expanded capital program totalling 34 million next

year.

And there is funding for construction on the Fort Qu'Appelle First Nations hospital, the Weyburn regional care centre, the Yorkton long-term care centre, and the Melfort regional care centre, Mr. Speaker.

And I might add, the Minister of Health will be making many more similar announcements over the next few months in communities throughout Saskatchewan, Mr. Speaker.

This year we are using 32 million from the federal Health Reform Fund for primary home care and additional coverage for catastrophic drugs, Mr. Speaker.

There is increased base-operating funding of almost \$90 million for regional health authorities.

And to improve patient services, we are implementing the new surgical wait-list registry, introducing a new system to collect complete prescription drug information, and piloting a clinical tool for assigning surgical priorities.

Mr. Speaker, we are building for the future through our commitments to health care.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, to build for our future we must build for our youth because they are our future.

Over the next two years we will invest \$110 million to help ensure high-quality learning facilities are in place for our students, with \$76 million in capital improvements happening this year, Mr. Speaker.

And our post-secondary facilities are undergoing significant development. We are supporting construction of the sports complex at the University of Regina. The U of R will also receive support for a feasibility and planning study for their new laboratory building, Mr. Speaker.

And at the University of Saskatchewan, we are supporting restoration of the College Building and the Research Annex. And we are investing \$800,000 this year for feasibility and planning to look at options for developing the new academic health science centre at the University of Saskatchewan.

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

**Hon. Mr. Melenchuk:** — Total funding to post-secondary institutions including capital operating grants and other program funding will amount to over \$407 million this year, Mr. Speaker.

We are also providing more money for students to pursue their post-secondary goals. Mr. Speaker, for the 2003-2004 academic year. We are tripling the scholarship exemption for Saskatchewan student loans from \$1,600 to \$1,800.

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

**Hon. Mr. Melenchuk:** — And at the same time we're

increasing the earning exemption from \$600 to \$1,700, Mr. Speaker. And \$66 million is available in Saskatchewan student loan assistance this year, helping almost 17,000 post-secondary students. And, Mr. Speaker, over one-half of this amount, \$34 million, will be provided as bursaries or grants or other debt reduction measures, Mr. Speaker, one of the most generous student support programs in Canada.

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

**Hon. Mr. Melnychuk:** — And, Mr. Speaker, we are also funding the full cost of the teachers' contract for 2003-2004, increasing transfers to school boards by over \$32 million over last year's budget.

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

**Hon. Mr. Melnychuk:** — Mr. Speaker, there is 180 million in funding for more than 25,000 training spaces and over 9,000 training allowances between the departments of Learning and community resources and employment. This includes 260 spaces in each year of the four-year Nursing Education Program of Saskatchewan, 144 spaces for training practical nurses, 40 additional training spaces through the northern health access program, more than 70 spaces at out-of-province institutions to provide training for health technicians, and training for an additional 80 EMTs (emergency medical technician) this year.

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

**Hon. Mr. Melnychuk:** — Now, Mr. Speaker, recruitment and retention of our medical professions will remain a priority. We will continue with return service bursary and professional development programs and train 235 students in the College of Medicine. We are also implementing a pilot project for medical students, Mr. Speaker, to cover the costs of an interest-free line of credit. Over 3 million in bursaries will be targeted nursing . . . to nursing and medical students and residents, and a portion will also go to incentive programs to attract medical staff to rural Saskatchewan. Four point four million will continue to fund a variety of programs designed to recruit and retain physicians and specialists in this fine province, and funding of 4 million will be maintained for the physician long-term service fund retention initiative.

Mr. Speaker, the centennial student employment program provides summer and part-time jobs throughout the year for high school and post-secondary students returning to school. Seven hundred students this year will have jobs through this program, Mr. Speaker.

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

(11:00)

**Hon. Mr. Melnychuk:** — Mr. Speaker, through these numerous commitments and opportunities for our youth, we are building for the future.

Mr. Speaker, a modern and competitive infrastructure is also vital so we can build for the future. Mr. Speaker, over the next five years we will finish twinning of the province's national highway system.

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

**Hon. Mr. Melnychuk:** — Highway 1 West will be fully completed later this year and Highway 1 East will be completed in 2007; as well, Highway 16 between North Battleford and Lloydminster will also be completed by 2007.

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

**Hon. Mr. Melnychuk:** — And, Mr. Speaker, over the next three years over \$90 million will be invested to upgrade 450 kilometres of rural roads to a paved standard through the Prairie Grain Roads Program.

And this year, Mr. Speaker, we are spending more than 296 million overall on our roads and highways, not only to accelerate twinning but also to resurface more than 385 kilometres of the provincial highway system.

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

**Hon. Mr. Melnychuk:** — Mr. Speaker, our other multi-year commitments and support of infrastructure includes \$170 million in funding to municipalities over five years through the Canada-Saskatchewan Infrastructure Program. This includes money for an ongoing commitment to the northern water and sewer program.

Mr. Speaker, clean, safe drinking water is vital for good health. In support of our long-term safe drinking water strategy, 19 multi-year water and sewer projects have already been approved for 10 million under the Canada-Saskatchewan Infrastructure Program. Also, under the northern water and sewer program, 4.9 million will be spent on 24 projects in 18 communities, Mr. Speaker.

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

**Hon. Mr. Melnychuk:** — And, Mr. Speaker, we will also repair and upgrade 16 water control structures and increase the number of certified waterworks operators to 475. The government now has 58 full-time equivalent staff positions dedicated to drinking water issues, including water inspection and monitoring.

Several municipalities will also see funding for 17 new transit vehicles for people with disabilities.

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

**Hon. Mr. Melnychuk:** — This will bring the total to 126 vehicles in the provincial fleet under the transit for the disabled program.

And, Mr. Speaker, we are increasing the supplementary funding to the four urban parks this year by 10 per cent.

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

**Hon. Mr. Melnychuk:** — Mr. Speaker, I'm also very pleased to announce we are increasing municipal revenue-sharing grants by \$10 million for the second year in a row.

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

**Hon. Mr. Melenchuk:** — Not only that, Mr. Speaker, we are also increasing revenue sharing to support our municipalities by a further \$10 million next year.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, that's a total of 60 million additional dollars available to municipalities over three budget years to assist in meeting their infrastructure and service needs. Mr. Speaker, we are helping our communities build for the future.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, a prosperous and competitive economy is critical for us to build for the future. Mr. Speaker, things are looking very positive for Saskatchewan. World prices for Saskatchewan's primary commodities all exceeded expectations in 2002 and are generally expected to remain strong.

Oil and gas prices are up. Employment is forecast to grow each year over the next three years, and oil drilling is expected to climb by 22 per cent, or 2,000 wells, this year alone.

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

**Hon. Mr. Melenchuk:** — And, Mr. Speaker, it is also worth noting that Saskatoon, the representative survey . . . city in this survey, has the lowest overall combined taxes and charges of 10 cities across Canada that have been surveyed for comparison.

And, Mr. Speaker, this applies for a single male adult making \$25,000; this applies for a family earning \$50,000; it applies for a family earning \$75,000 — Saskatoon has the lowest overall combined taxes and charges for all ten cities in all three categories, Mr. Speaker.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, I think it is also important to give some context, so I will point out that Canada is the only one of the G-7 countries in a surplus position and I will point out that most US (United States) states are in a deficit position.

I will point out that British Columbia, Prince Edward Island, Newfoundland, and the Territories are all forecasting deficit budgets, 2002-03.

And I will point out that in Saskatchewan, as we have done in the preceding nine years, we are again tabling a balanced budget — our 10th consecutive balanced budget.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, we can't talk about a competitive economy without talking about taxes. The final stage of personal income tax reform was introduced January 1 with lower tax rates and higher family tax credits, and will result in a further reduction of \$78 million this year. This means

more money in consumers' pockets to spend as they please.

Saskatchewan's top marginal tax rate is now the second lowest in Canada.

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

**Hon. Mr. Melenchuk:** — And beginning January 1, 2004 the income tax system will be fully indexed to inflation, eliminating bracket creep.

Mr. Speaker, this budget does not have any tax increases but it does have some additional tax decreases. The small-business corporate income tax rate will be reduced from 6 per cent to 5.5 per cent on January 1, 2004 and to 5 per cent on January 1, 2005. Mr. Speaker, that is half of what it was in 1991.

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

**Hon. Mr. Melenchuk:** — And, Mr. Speaker, we are expanding the incremental corporate capital tax exemption for Saskatchewan-based companies from 5 million to 7.5 million January 1, 2004 and to 10 million as of January 1, 2005. This brings the maximum corporate capital tax exemption to 20 million for Saskatchewan-based companies, the highest tax exemption threshold of all Canadian provinces.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, research and development, R&D, plays a key role in ensuring that Saskatchewan stays competitive and to help us draw professionals to our province.

Our budget this year provides 145 million for research and development expenditures and tax credits, an increase of 9.1 million or 6.7 per cent from 2002-2003.

Mr. Speaker, our economy is growing; our future is indeed wide open.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, in Saskatchewan we want strong and vibrant communities so people can flourish, so they can feel safe, so they can find the supports they need when they need them. Mr. Speaker, we are building for the future by strengthening our social programs.

Through the Community Initiatives Fund, 19 million in centennial funding will be directed over three years to Saskatchewan communities for programs that encourage physical fitness, for infrastructure and capital projects, and for initiatives that encourage Aboriginal access to culture and recreation.

Another multi-year initiative we are funding includes a 45.9 million, four-year federal-provincial program to build 1,400 housing units, Mr. Speaker.

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

**Hon. Mr. Melenchuk:** — And, Mr. Speaker, over the next five

years we will also partner with the federal government to enhance licensed child care. In this, the initial year of the child care Saskatchewan program, we will more than double the federal contribution to provide 1.8 million to develop 500 new child care spaces, early child services funding for 250 existing spaces, and capital funding for building development, Mr. Speaker.

We are also providing 1 million to increase child care subsidies an average of \$20 per child. Provincial programs will also support more than 7,800 spaces and 450 licensed child care facilities. And, Mr. Speaker, our child care supports will grow next year and every year for four more years.

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

**Hon. Mr. Melenchuk:** — And, Mr. Speaker, our Kids First program will create 80 new child care spots for children in the most vulnerable situations. And we are providing an additional 1 million in social assistance program funding for people with disabilities.

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

**Hon. Mr. Melenchuk:** — And, Mr. Speaker, together with 2 million to create an additional 950 employment support spaces to assist disabled social assistance clients develop and sustain labour force attachment.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, this is a government that dares to care. Mr. Speaker, our community-based organizations are our partners in ensuring strong and vibrant Saskatchewan communities.

The government is also continue its commitment to CBOs (community-based organization) with a 3 per cent salary increase this year, Mr. Speaker.

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

**Hon. Mr. Melenchuk:** — And, Mr. Speaker, the Department of Justice will see a 6.7 million or a 3.6 per cent funding increase this year, and a portion of this money will go towards hiring 10 new police officers to support integrated, targeted, community-based approaches to reduce crime, Mr. Speaker.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, the province overall and rural Saskatchewan communities in particular depend on a strong agricultural economy. There have been hardships, especially the past two years, Mr. Speaker.

Saskatchewan has signed on to the federal government's agricultural policy framework. Through the APF program framework Saskatchewan will commit \$1 billion over five years, Mr. Speaker.

And, Mr. Speaker, this year the province will continue with its farm families opportunity initiative and we're also continuing with the Conservation Cover Program, helping farmers to

convert marginal lands to perennial cover. Last year 300,000 acres were converted; \$3.9 million will be available this year again, Mr. Speaker.

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

**Hon. Mr. Melenchuk:** — As well, Mr. Speaker, our government provides about \$240 million per year in tax exemptions and rebates for farm input costs, including the provincial sales tax exemption from major farm inputs, the PST (provincial sales tax) rebate for livestock and horticulture facilities, and the fuel tax exemption for farm activities — \$240 million.

And, Mr. Speaker, we are aware that the means by which property taxes are applied in Saskatchewan, particularly for funding K to 12 education is a longstanding issue. Mr. Speaker, an independent commission on how K to 12 education is funded in Saskatchewan and options for change will be formed. Further details on this commission will be announced in the next few weeks, Mr. Speaker.

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

(11:15)

**Hon. Mr. Melenchuk:** — Mr. Speaker, Saskatchewan's northern reaches and communities will benefit from this budget. Our budget this year includes \$27.1 million in new initiatives and capital for the North.

And here are a few highlights, Mr. Speaker. We're providing \$797,000 increase in northern revenue sharing, increasing grant funding from 5.2 million to almost 6 million. Mr. Speaker, we're committing funding for a new school in Ile-a-la-Crosse.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, the Fyke Commission on health care recommended that in the North we adopt a three-health-district, four-hospital approach. Mr. Speaker, we have three health districts established. We have built a new hospital in La Ronge. We have built a new hospital in La Loche. We have built a new hospital in Black Lake, and, Mr. Speaker, we will be starting construction on a new, multi-million dollar hospital in Ile-a-la-Crosse.

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

**Hon. Mr. Melenchuk:** — We're providing \$500,000 to northern health authorities for implementation of a northern health strategy, primary health care and prevention initiatives, and improved water quality monitoring and public water supplies. We're providing 2.1 million for 600 training spaces provided under the northern schools training program. And we're providing a 466,000 increase for 40 additional training spaces provided under the northern health access program. Mr. Speaker, in northern Saskatchewan, we are building for the future.

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

**Hon. Mr. Melenchuk:** — Mr. Speaker, the initiatives and

programs outlined in this budget will help us to build for the future, to build a strong and thriving province. Our government has a proven track record of funding and maintaining key priorities.

Laurentian Bank Securities recently gauged our economic progress and prospects at the outset of 2003. They said we are tied with Alberta for second place in terms of greatest economic momentum at the outset of 2003, Mr. Speaker.

And, Mr. Speaker, the Conference Board of Canada is forecasting that Saskatchewan, along with Alberta, will outpace all other Canadian provinces for economic growth in 2004.

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

**Hon. Mr. Melnychuk:** — Mr. Speaker, we will continue on this track of strategically investing in Saskatchewan's future while at the same time managing the province's finances, being mindful that we are accountable to the people.

As further proof of our commitment we are announcing two enhancements to our government's accountability framework. First, this year we have produced a budget document entitled "Our Plan for 2003-04," which sets out concrete objectives for government for the year ahead. And second, Mr. Speaker, the government will provide a summary financial plan as part of next year's budget.

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

**Hon. Mr. Melnychuk:** — Mr. Speaker, Mr. Speaker, I can see that the members opposite appreciate that announcement.

Mr. Speaker, Saskatchewan's future is bright. We are providing record levels of funding for health care and education. We are encouraging investment and growth. We have dared to care, Mr. Speaker. Mr. Speaker, our future is indeed wide open.

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

**Hon. Mr. Melnychuk:** — And with that, and with that, Mr. Speaker, I would move, seconded by the Premier:

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

Thank you very much.

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

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

**Mr. Krawetz:** — Thank you very much. Thank you very much, Mr. Speaker. I'd like to begin the debate around the budget by first of all thanking a number of people that have assisted so adequately. And I want to thank first of all the staff members here in the caucus, as we've had the opportunity to prepare for this session and to look forward to the future they have been very, very helpful.

I too want to thank the people back home. My constituency assistant, Bob Blahay, who serves in my Canora office and my

Norquay office, and Renee Parsons who serves in my Foam Lake office. Without their capable assistance it would be difficult to do this job.

Mr. Speaker, most importantly though, as indicated I think it's very, very important . . . We've heard that a number of times in this House in the last 10 days how important family is to a member of the Legislative Assembly. And I want to especially recognize my wife, Gail, who is serving in her first year as principal of the Invermay School, who through that commitment is unable to be present with me on many functions when I do my job as a member of the Legislative Assembly. But I know that she assists wherever she can and I want to thank her for that support and love.

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

**Mr. Krawetz:** — Secondly, Mr. Speaker, my two children have been a tremendous inspiration to me, and I want to thank Bryce, my son, who is in his second year teaching in the community of Strasbourg. And I know he enjoys his teaching in that community. He enjoys the community a tremendous amount. But he does occasionally phone me, not only to talk about financial needs but also to give me some advice. So I appreciate that assistance.

My daughter, Lindsay, is in her first year here at the University of Regina, and that has obviously benefited me, Mr. Speaker, because as we leave our homes and come to Regina to do our jobs, we're usually away from family. In this case a family member has joined me here in Regina, beginning her first year in administration at the University of Regina, and I want to thank her for all of her assistance.

I want to mention two other couples very quickly, Mr. Speaker, my dad and my stepmother, Peter and Sophie Krawetz, back in Invermay, are I'm sure watching and wanting to wish me well. And my in-laws, my spouse's parents, who reside in Theodore, John and Eleanor Maleschuk, have been very, very supportive. And those are constituents, Mr. Speaker, that I currently have, but with the redrawing of the boundaries they will no longer be in my constituency of Canora-Pelly. So I want to thank them for their support.

Mr. Speaker, this has been my first opportunity to stand in the House since we reconvened and I want to first of all congratulate the two newest members here in the Legislative Assembly — a tremendous commitment to serve the people of Saskatchewan. And I want to congratulate the member from Saskatoon Fairview and the member from Battleford-Cut Knife for determining to fulfill their need and serve the people of Saskatchewan.

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

**Mr. Krawetz:** — I want to also thank my colleagues and the Leader of the Official Opposition for allowing me to serve as the official opposition's Finance critic and to assist me so very, very capably. I want to thank them for their support.

Mr. Speaker, my colleagues and I will be using the coming days and weeks to get into the details of this budget. But I want to touch on a few major issues right now.

Mr. Speaker, almost exactly one year ago, I stood in this place to respond to what was to become known as the fudge-it budget. That was a budget based on smoke and mirrors — twisting the numbers every which way by the government in order to tell a tale that simply wasn't true. It was based on a so-called rainy day fund that doesn't exist. It was based on an attempt to hide debt from the people of Saskatchewan.

Well, Mr. Speaker, I never thought of that budget as the good old days because this year we've moved well beyond the fudge-it budget.

This new Finance minister this morning has presented a budget that is a complete work of fiction. Mr. Speaker, this budget document is so riddled with inconsistencies, questionable assumptions, and simply outrageous claims, one scarcely knows where to begin.

Well, let's start with the debt, Mr. Speaker. We have just had presented to us a budget which, under the most optimistic conditions, is slated to increase the overall debt of Saskatchewan by nearly \$500 million — half a billion dollars, Mr. Speaker. And this in the mind of the new Finance minister is balanced.

Mr. Speaker, I think it's worth noting once again, in front of the province-wide television audience and those who have joined us in the Assembly this morning, that after two years under this Premier the total debt of this province today is higher than it ever was under the government the NDP replaced. Even if you accept, even if you accept the wild assumptions contained in this budget, the total debt of Saskatchewan is slated to climb to an astounding \$12.2 billion.

In other words, after all of the struggles and the cutbacks and the tax increases the people of Saskatchewan endured in the '90s to get the fiscal situation under control, in two short years the current Premier has put us in a situation even worse than was the case in 1991.

Is it any wonder, Mr. Speaker, that the NDP Finance minister who was in charge of the budget for most of the '90s is now publicly questioning the budget practices of the current Premier and this government?

So, Mr. Speaker, we have seen and heard the Minister of Finance admit that the debt will explode by half a billion dollars in the coming year. And this, to him, is balanced. One shudders to think how much red ink has to flow before the members opposite admit to a deficit.

Now, Mr. Speaker, as bad as the news of a \$500 million deficit is, once you read the budget documents carefully, you get the feeling that when all is said and done, we may be wishing this year's balance sheet was that good. In getting us to this half a billion dollar deficit, the Finance minister has predicted an economic growth rate for the coming year that is simply ridiculous.

Mr. Speaker, at a time when the independent economists and financial institutions are predicting a growth rate for Saskatchewan in the coming year of between 2.7 and 3.7 per cent, and the most recent issue, March 22 of *The Economist*,

lists 16 industrialized countries and their projected GDPs for 2003 — no country is listed beyond 3.4 per cent, Mr. Speaker — this Finance minister and the Premier have promised and produced a budget today based on 6.8 per cent growth.

To call this, Mr. Speaker, overly optimistic isn't quite descriptive enough. To call it ridiculous is much closer to the mark.

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

**Mr. Krawetz:** — Mr. Speaker, this is a budget built on a foundation of fantasy. This is not an economic blueprint for our province. It is a last gasp effort by those members opposite to try and salvage their political careers on that side of the Assembly.

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

(11:30)

**Mr. Krawetz:** — Mr. Speaker, over the next few days, weeks, and months there's going to be a big debate in this legislature and in this province about debt and deficit.

And we are going to hear, over and over again, from the Minister of Finance and this Premier making this distinction between good debt and bad debt. The billion dollars of red ink that has accumulated in the last two years apparently, Mr. Speaker, is good debt.

The fact that the debt of this province is now higher than it was the day the NDP took office with a mandate to get the debt under control apparently is a good thing in the eyes of the Finance minister and this Premier. So we are going to hear a lot from those members, much about good debt versus bad debt.

But I'll tell you what else we're going to hear, not only in this legislature but right around this province, the difference between good government and bad government.

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

**Mr. Krawetz:** — And it has never been more clear than right now that this province is now in the hands of a bad government. Mr. Speaker, it is time for a change.

I will have much more to say on this document on Monday, and as my colleagues will over the course of the next number of days. And for now I move that we adjourn debate.

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

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

Debate adjourned.

#### Resumption of Budget Debate

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I move, seconded by the member for Moose Jaw North:

That the debate on the motion that this Assembly do now resolve itself into the Committee of Finance be resumed on Monday, March 31, 2003.

I so move.

Motion agreed to.

The Assembly adjourned at 11:34.



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