

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Elhard: — Thank you, Mr. Speaker. It gives me pleasure to stand in the House today again, Mr. Speaker, to present a petition on behalf of producers from the community of Eastend, on the far south side of the Cypress Hills. And, Mr. Speaker, the petition concerns the government's intentions with regard to renewal of Crown grazing leases. The prayer reads as follows:

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.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, 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 42. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 42 in the Arm River constituency in order to prevent injury or loss of life and to prevent the loss of economic opportunity in the area.

And this petition is signed by individuals from the communities of Moose Jaw, Eyebrow, and Tugaske.

I so present.

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition of citizens concerned about how the government is handling the Crown land leases. And the prayer reads as follows:

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

And the signatures, Mr. Speaker, are from the community of Spiritwood.

I so present.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition to improve Highway 42:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 42 in the Arm River constituency in order to prevent injury or loss of life and to

prevent the loss of economic opportunity in the area.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Eyebrow, Central Butte, Marquis, Tugaske, and numerous other towns on it.

Some Hon. Members: Hear, hear!

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition from citizens opposed to the Saskatchewan Crop Insurance premium increases to farmers. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to have Sask Crop Insurance reverse the 2003 premium increases and restore affordable crop insurance premiums to our struggling farmers.

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

Signed by the good citizens of Shellbrook and Biggar.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition signed by citizens of Saskatchewan that are very, very concerned in the handling of the Crown land leases by our NDP (New Democratic Party) government. And the prayer reads as follows:

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.

The signatures on this petition, Mr. Speaker, are from North Battleford and Spiritwood.

I so present.

READING AND RECEIVING PETITIONS

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

A petition concerning repairs to Highway No. 42 in the Arm River constituency;

A petition concerning repairs to Highway No. 2; and

Addendums to previously tabled petitions being sessional paper nos. 12, 13, and 18.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Wall: — Thank you, Mr. Speaker. I give notice that I shall on day no. 20 ask the government the following question:

To the Minister of CIC: how much money does SaskTel plan to spend on advertising in each quarter of the 2003-2004 fiscal year?

And, Mr. Speaker, I have a whole host of similar questions for the other Crowns and various government departments including The Future is Wide Open campaign, Mr. Speaker.

INTRODUCTION OF GUESTS

The Speaker: — Members of the Assembly, it's my pleasure to welcome the teachers, the steering committee, and Saskatchewan Learning officials who are here at the fifth annual Saskatchewan Social Sciences Teachers' Institute on Parliamentary Democracy.

They are seated in the Speaker's gallery and, as I call their names, I would ask them to just give a little wave. And they are: Joshua Bekker of Regina Christian School; Paulette Belisle of Ecole St. Pius X in Regina; Ed Bourassa, the regional superintendent of curriculum and instruction, Melfort; Donna Dreher of Delisle Elementary; Tracey Ellis of Davidson High School; Renato Franchetto of Burstall School; Tony Hamilton-Irving of Hazlet School; Mark Hughes, College Park School, Saskatoon; Candace Jenson, École College Park, Saskatoon; Lisa Kraemer, Kennedy Langbank School in Kennedy; Michael Laskowski, St. Alphonsus Elementary School in Yorkton; Dave Little, Valley Manor School, Martensville; Andrew Longstaff, Gladmar Regional; Gordon Manz, Brunswick School in Melfort; Kenneth Marland, Buena Vista School, Saskatoon; Joe Meehan, John Paul II Collegiate in North Battleford; Larry Mikulcik, William Derby School in Strassbourg; Michael Roszell, Wynyard Composite High School; Christopher Shabatoski, Holy Rosary High School in Lloydminster; Charlotte Shoemaker, Kipling School; Catherine Smith, Naicam School; Sherry Stadnyk, North Battleford Comprehensive High School; Bernard Staszczak, Punnichy Community High School; Victor Stevenson, Elsie Mironuck School in Regina; Ted Weir, Sheldon-Williams Collegiate, Regina; Genevieve Wood, Vincent Massey School in Saskatoon.

I want to make special mention of the steering committee and department officials. On the steering committee are: Trudy Bethel from Prairie Heights School in Oxbow; Mary Anne Hovdebo, SIAST (Saskatchewan Institute of Applied Science and Technology) Woodland Campus in Prince Albert; and Marea Olafson, Eston Composite High School. And from Saskatchewan Learning: Armand Martin, Ray Robertson, Gail Saunders, Anna Schmidt, and Brent Toles.

This group of educators will meet with MLAs (Member of the Legislative Assembly), caucus, and Executive Council staff, and government officials, and members of the media to learn about how our system of democracy works. And when they return to their classrooms, they will be better able to help their students and their fellow educators to understand the parliamentary democracy.

So, members, would you please welcome the SSTI (Saskatchewan Social Sciences Teachers' Institute on Parliamentary Democracy) 2003 delegation.

Hon. Members: Hear, hear!

Hon. Ms. Junor: — Thank you, Mr. Speaker. I'd like to join with you in welcoming the 25 social studies teachers, the department officials, and the steering committee who are here from various communities, as you mentioned, all over Saskatchewan.

They're here to learn about the legislative process and the day-to-day functioning of the legislature while it's in session. These teachers have had the opportunity to meet with people such as elected officials, the legislative Clerk, and members of the media. And they've learned what goes into the preparation of an ordinary day at the legislature while the House is in session.

As Minister of Learning, I had an opportunity to spend some time with the group over lunch hour and we shared a hot wasabi mustard salad dressing experience.

And, Mr. Speaker, we all appreciate the important role teachers place in our society. As Minister of Learning, I fully appreciate the influence teachers have on young people and the broader influence they have as role models within our communities.

I'd ask all members to join with me in wishing the teachers attending this Social Sciences Teachers' Institute an informative and enjoyable learning experience. Thank you.

Hon. Members: Hear, hear!

Ms. Draude: — Thank you, Mr. Speaker. To you and through you to all members of the House, I would like to join on behalf of the official opposition in welcoming the SSTI teachers here. I'm sure your time here spent so far has been very informative and I know the next hour will be more so.

We congratulate you and we thank you for your commitment to your students and to the province, and have a great time here for the rest of your institute.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

World Health Day

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, today is World Health Day and the theme this year is Healthy Environments for Children.

Every year over 5 million children die worldwide because of unsafe water, diseases caused by air pollution and tobacco smoke, and hazardous chemicals in their environment. These deaths can be prevented and governments around the world must make every effort to ensure safe and healthy environments in our homes, our schools, and in our communities. Poverty, poor sanitation and hygiene, and poor housing contribute to unhealthy environments and disease.

Mr. Speaker, every child deserves to grow up in a healthy home, be educated in a healthy school, and play in a healthy and safe community. Healthy public policies are critical in

order to provide healthy environments where children live, learn, and play. To safeguard the health of our children and all the citizens of our province, we must continue to take every measure to educate our citizens and reduce the environmental risks to have a healthy province and healthy children.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Saskatchewan Closes Tax Gap with Alberta

Mr. Yates: — Thank you, Mr. Speaker. More good news for Saskatchewan. The headline reads, “Saskatchewan closes a tax gap with Alberta.”

Mr. Speaker, 10 years ago, after two terms of right-wing mismanagement, the provincial taxes paid by Alberta residents compared to those paid by Saskatchewan residents was \$1,749 less for Albertans.

Well I'm pleased to say that over the last decade this government, through sound and responsible financial management, has reduced the so-called Alberta advantage by over \$1,000, Mr. Speaker. And, Mr. Speaker, if other charges such as auto insurance premiums and utility rates are included, the Alberta advantage disappears completely and becomes the Saskatchewan advantage, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Yates: — Mr. Speaker, this government has been lowering taxes over the last decade, and during the last three years we have made dramatic reductions. For example, Mr. Speaker, a family of four earning \$50,000 a year has had a 37 per cent reduction in personal income tax. And, Mr. Speaker, that same family has seen its provincial income tax burden fall from \$4,000 in 1993 to \$2,510 in 2003.

Mr. Speaker, the Sask Party is constantly yammering on about tax reduction. They apparently haven't noticed that this government is already reducing them, Mr. Speaker, for the people of this province. Thank you.

Some Hon. Members: Hear, hear!

University of Saskatchewan College of Commerce Budgets

Mr. Wall: — Thank you, Mr. Speaker. On Friday the Leader of the Opposition, the member for Kelvington-Wadena, and I had the pleasure of attending the U of S (University of Saskatchewan) College of Commerce's budget 2003 presentation. At this annual event, groups of students with the College of Commerce put together and deliver their alternative provincial budgets.

I want to take this opportunity to congratulate the students and the organizers of this highly beneficial event. Thank you as well to Dean Lynne Pearson and everyone at the College of Commerce.

And, Mr. Speaker, a special note and congratulations to premier

Ryan Plewis of Swift Current. He was the premier of a team called the Sask action party that was one of the successful teams, and he also was recognized as one of the most valuable members of his own team with another award.

Mr. Speaker, the key to this exercise is that students must be grounded in reality when they're preparing their budgets — no flights of fancy or smoke and mirrors are allowed. And the alternative budgets put forward, while different in their approaches somewhat, all stuck to the rule of being realistic and forthright. If only members opposite could follow the commerce students' example.

For instance, the growth projections in the budgets were all, they were all in the 3 per cent range, Mr. Speaker. It's clear to me that had the Minister of Finance presented his provincial budget at the university event rather than in this Assembly, he would have gotten an F for producing such a work of fiction, Mr. Speaker.

Mr. Speaker, it's clear that it's time for this Finance minister to go back to school.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

(13:45)

Saskatchewan Learning

Mr. Prebble: — Thank you, Mr. Speaker. Mr. Speaker, our province has every reason to be very proud of our teachers and all those who are involved in delivering quality education in Saskatchewan.

The Professional Journal for Education, *Phi Delta Kappan*, in a recent issue reports on a student assessment study done by the organization for economic development and co-operation in 31 countries in the world. And the Professional Journal for Education says this, Mr. Speaker:

... the province of Saskatchewan is achieving better equity outcomes than any other province — and better than any of the other 31 countries in the OECD study. Saskatchewan, large in area and in its commitment to education, although small in population and resources, posted astonishing gains in reducing the gap between its poorest and best students

That's a direct quote, Mr. Speaker.

Now, Mr. Speaker, we're continuing to build on that record. In the past year and a half we have doubled the number of pre-kindergarten spaces in this province. In the last two years, Mr. Speaker, we've doubled the number of community school spaces in this province. Saskatchewan now has the lowest dropout rate, Mr. Speaker, in all of the Western provinces among high school students. And, Mr. Speaker, in 2003 every publicly funded Saskatchewan school will have access to high-speed Internet.

Some Hon. Members: Hear, hear!

World Senior Women's Curling Championship

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to take this opportunity to congratulate four ladies that either live in or are directly tied to the Indian Head-Milestone constituency. They are Nancy Kerr, Linda Burnham, Kenda Richards, and Gertie Pick. This foursome, better known as the Nancy Kerr rink, completed an 11-0 run on Sunday to capture the World Senior Women's Curling Championship in Winnipeg.

Some Hon. Members: Hear, hear!

Mr. McMorris: — The victory is the third title won by Saskatchewan at the world level this year. Saskatchewan's junior women and men teams swept the world championships in Switzerland last month. The win means Saskatchewan has won three out of the possible six world curling championships in 2003, setting the stage for a clean sweep by Canada after this next weekend's world championships men's and women's.

Kerr blew open the gold medal match with five in the third end. Kerr then ran the Morris rink out of rocks in the eighth to clinch the title. This is not the first time Nancy Kerr has been on a world championship rink. She was also a member of the Marj Mitchell rink from Regina that won the worlds . . . Canadian and worlds in 1980.

Mr. Speaker, I'm very proud to say these members are all from around the Indian Head-Milestone constituency, and I'll be supplying another box of pins for them when they go on the 2004 . . . road to the 2004 world championship. Congratulations.

Some Hon. Members: Hear, hear!

Saskatchewan Forest Centre Building

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. This government has long recognized the value of Saskatchewan's forest industry to what is becoming very much a diversified economy. The forest industry is Saskatchewan's second largest manufacturing industry. It contributes more than \$750 million annually to our provincial economy.

There are approximately 300 forestry-related private sector enterprises in Saskatchewan and since 1999 more than 800,000 new, direct, and indirect jobs have been created in this sector.

The province, Mr. Speaker, is on track to meet and exceed its target of creating an additional 10,000 jobs through the increased sustainable use of our forests. That's why I'm proud to acknowledge provincial funding of \$4 million, which takes the Saskatchewan forestry centre's brand new building in Prince Albert to the next stage of development.

Prince Albert's reputation as a hub for forestry activities and employment is getting a boost. Not only will the new Saskatchewan forestry centre be the cornerstone of the industry, wood products and innovations and technology transfer, it really will help to revitalize Prince Albert's downtown and create new jobs.

This new 75,000 square foot building will show that Saskatchewan's wood products and new technologies can house a very vibrant and growing and building and developing forestry centre, and I want to congratulate all of those who have been part . . . have supported this government's initiatives to make it happen.

Regional Drama Festival

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, on March 27, 28, and 29, the Kennedy-Langbank School was a beehive of activity as the local drama club hosted the regional drama festival. Participating in the regional drama festival were students from high school drama clubs in Carlyle, Moosomin, Oxbow, Montmartre, Redvers, Estevan, and the host, Kennedy-Langbank Drama Club.

Over the three days the students presented their dramas for adjudication, as well as participating in numerous workshops where they learned how to hone their acting prowess. After everything was said and done, the McNaughton High School production of *The Teen Age* received top honours. Estevan Comprehensive was runner-up with their performance of *Double Income No Kids*.

Many special awards were also presented. Of note, in acting, Ezra Paul's portrayal of Arthur, and Shayna Bourhis as bag lady, both of Kennedy-Langbank School, received recognition in excellence in character development and portrayal.

Mr. Speaker, the staff and students of Kennedy-Langbank High School did an excellent job in hosting this year's regional drama festival. Congratulations on a job well done.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Mega Bingo

Ms. Bakken: — Thank you, Mr. Speaker. Mr. Speaker, on Friday the NDP were forced to admit it lost \$6.2 million on a failed bingo scheme — \$6.2 million down the drain. And the minister didn't even know if the government had done any type of due diligence or had any type of business plan for this venture.

Mr. Speaker, \$6.2 million of taxpayers' money gone on another reckless NDP scheme that did not pan out. Mr. Speaker, will the minister table any sort of business plan or market research the NDP did before it decided to bet \$6.2 million on its failed bingo scheme?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Well, Mr. Speaker, as I mentioned to the member and when I'd indicated that there was a committee in advance of . . . what there was in fact was all the operators of the A bingo halls, together with numerous charities, that came to SLGA (Saskatchewan Liquor and Gaming Authority) — both hall operators and charities that benefit from bingo — that had come to the government in the early 1990s and asked if we might consider supporting linkingos.

So based on what was happening in other provinces, and particularly in Alberta where numerous people from this province were attracted to their operations, SLGA felt that yes, they would try and assist in supporting those 1,500 charities in our province that desperately need some help. And that was the decision that was based, based on what was happening in other places. The target set here was an increase of participation of 10 per cent. Alberta was shooting at 15 per cent.

The Speaker: — The member's time has elapsed.

Some Hon. Members: Hear, hear!

Ms. Bakken: — There was no market research and there was no business plan. There was no due diligence. The NDP's entire decision was based on the fact that mega bingo was operating in other provinces, but as it turns out it did not succeed in other provinces either. Mr. Speaker, was the \$6.2 million spent on mega bingo approved by cabinet? And if so, how did cabinet approve risking \$6.2 million without even a business plan?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, the decision made at that time was based on the best information it had available. It was a management decision that was supported, and what in fact this is, is that SLGA interested in helping the charities that rely on bingo revenues.

Alberta was experiencing a 15 per cent increase, Mr. Speaker, linked with these kind of games. SLGA examined the Alberta experience and made a business case based on, as I mentioned, a 10 per cent growth. And there were some small communities throughout this province that did benefit and appreciated that link bingo; as a matter of fact my home community where their bingo hall paid out upwards of 50,000, 20,000 and \$10,000 jackpots as a result of this.

Some Hon. Members: Hear, hear!

Ms. Bakken: — . . . taxpayers' dollars and we have to assume that it was approved by cabinet. How on earth did cabinet approve risking \$6.2 million on mega bingo without any due diligence or business plan?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, SLGA, at that time, made the modest projections of a 10 per cent increase in participation. Those are modest projections that would have seen the game pay for itself over a period of time and it would have been revenue neutral. When it did not meet its objectives, Mr. Speaker, the government chose to use the monies generated through other forms of gaming to defray the costs of this particular initiative rather than passing those costs on to our charities.

Some Hon. Members: Hear, hear!

Ms. Bakken: — . . . by the NDP from day one and now he's trying to say that somehow they helped charities by not making them pay for this \$6.2 million failed scheme.

Mr. Speaker, the problem is we cannot count on this minister to tell us the truth. On Friday the minister said mega bingo was requested by an advisory committee of bingo hall operators. It turns out that is not the case, Mr. Speaker. The advisory committee was set up after, after the NDP blew \$6.2 million on the mega bingo scheme.

Mr. Speaker, why did the NDP blow \$6 million on mega bingo with absolutely no due diligence and without it even being initiated by the bingo industry?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, I guess the member did not hear me because we were approached — SLGA was approached — by bingo hall operators and charities that said, we need your help. And you know what, Mr. Speaker? We will not apologize for working with the bingo industries that works to attract new players and provide support to 1,500 charities across this province, Mr. Speaker.

I gather the members opposite certainly would not support our charities and organizations in this province. SLGA, Mr. Speaker, is very successful in regulating gaming and liquor sales to generate more than \$300 million in revenue for public services each year, Mr. Speaker. As any business enterprise, some investments involve risk and do not succeed. Nobody likes to see that happen but you make an effort to help those people that need help. I don't think they believe they would do that.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, why didn't this government just give the \$6.2 million to charity instead of blowing it?

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, this is the same government — this government — that is lecturing us about charities when they're the ones that in 1995 promised that they were going to give 10 per cent of VLT (video lottery terminal) revenue back to communities. And they never kept their promise. And they have the nerve to lecture us about charities.

Mr. Speaker, will the minister advise this House if the cabinet approved this and if he as a minister approved this?

Hon. Mr. Osika: — I'm not sure where the member has been in the recent past but I was not there so that's the answer, Mr. Speaker.

As I indicated, the SLGA made a decision to support our charities in this province based on what was happening in other areas. And had that project been successful, it would have generated more money for the charities and, Mr. Speaker, it would have been revenue neutral. Unfortunately that failed. But with the profits that SLGA made through its diligent operation of liquor and gaming in this province, Mr. Speaker, we were able to offset that cost instead of putting it on to the backs of the charities.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Liquor and gaming is to go to charities in this province and whether it comes from bingos or some other form of generation of revenue from liquor and gaming, it is still money lost to the people of this province and to charities.

Mr. Speaker, over the weekend I spoke to bingo hall operators who told me mega bingo was not the industry's idea, it was the government's plan. They went along with this scheme because the government was telling them this would increase attendance at bingo halls. It turns out the NDP had no research to back up this claim; they had no business plan. They simply forced their mega bingo scheme on to business hall operators and wound up losing \$6 million.

Mr. Speaker, why did the NDP blow these \$6 million on mega bingo with no research to show how it would work? And why does the minister say bingo hall operators initiated this scheme?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Well, Mr. Speaker, if that member has the documentation from those bingo hall operators, please table them because, because we had, we had bingo hall operators and charities, Madam Member — Mr. Speaker, to the member — that came to SLGA pleading and asking for help. And, Mr. Speaker, as I mentioned earlier, we are not going to apologize for making an effort, a sincere effort, based on what was happening in other places, to support the bingo industry, to try that in this province, Mr. Speaker. We have no need to apologize for that.

(14:00)

Some Hon. Members: Hear, hear!

Ms. Bakken: — Is . . . This did not help bingo hall operators; this did not help Saskatchewan charities to make more money. It hurt them. The problem was the overall number of bingo players did not increase; the amount being spent on bingo did not increase. The NDP mega scheme simply cannibalized existing bingo revenue so that most bingo halls and charities ended up losing money.

Mr. Speaker, again why did the NDP waste \$6 million on mega bingo with no research and no business plan?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, the decision was based on the best information it had available at that time. What this is, Mr. Speaker, once again SLGA was interested in helping charities that desperately rely on these bingo revenues, Mr. Speaker.

Alberta was experiencing a 15 per cent increase. We had projected a modest 10 per cent increase which would have in fact, would have in fact been revenue neutral and would have paid for itself in the long run.

This was an effort to help our 1,500 charities. SLGA is very responsible in managing the \$300 million that comes in for highways or hospitals and from that revenue, from that profit, I don't think anybody in this province would deny us trying to

make a small investment to support our charities throughout this great province.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, this is one more example of the NDP sticking its nose and taxpayers' money somewhere where it did not belong. Twenty-eight million dollars on SPUDCO (Saskatchewan Potato Utility Development Company); \$29 million lost on dot-coms in the United States; millions lost on the land titles debacle; millions more lost on cable companies and cellphones service in Australia; and now \$6 million on bingo.

Mr. Speaker, why is it every time the NDP comes up with one of these schemes, it's taxpayers who wind up in the jackpot?

Mr. Speaker, why does this NDP government keep sticking its nose where it doesn't belong, and why did they blow \$6 million, and will the minister table his reports on the due diligence that he did?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Well, Mr. Speaker, once again, as I mentioned, the SLGA generates more than \$300 million each year to support public services such as highways and health, Mr. Speaker, and infrastructure.

Although the revenues for bingos and for charities did not achieve its 10 per cent growth, Mr. Speaker, the target in 2000, bingos do average well over \$20 million each year for non-profit groups — groups that obviously the members opposite would not support, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, this is typical of this NDP government. Do they have any priorities over there? I'm sure the people of Saskatchewan, whose money this is, could find a whole lot better ways to spend \$6.2 million than on a failed bingo scheme.

What about waiting lists? What about purchase of CAT (computerized axial tomography) scans, kidney dialysis, in-patient treatment centres that are badly needed in this province, new money for urban municipal governments, money for seniors services?

Mr. Speaker, instead this government, on a hare-brained scheme, chose to spend \$6.2 million on linking bingos, and losing all this taxpayers' money. Mr. Speaker, what are the priorities of this government and did the minister and cabinet approve this expenditure?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Well, Mr. Speaker, SLGA did in fact examine the implementation of link bingo in Alberta. And SLGA looked at how Alberta's bingo industry had thrived and how it was structured and how they were linked. And, Mr. Speaker, compared with their experience to Saskatchewan's bingo industry and structure, it was determined that a linked

bingo game could be implemented in this province. And, Mr. Speaker, SLGA revenues funded that link bingo, providing \$1.2 million in development costs and another additional \$5 million. And I do not believe that this coalition government has to apologize for supporting our charities.

And when that member talks about the investments that are made, she fails to read that the provincial government has used Crown corporations as a vehicle for investment. In the period '92 to 2002, \$1.012 billion, Mr. Speaker, has been invested and the return on that investment has been \$2.26 billion.

Some Hon. Members: Hear, hear!

Financial Support for College of Medicine

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, during the fall session of the legislature in December, I asked the Minister of Health about the difficulties facing the College of Medicine at the University of Saskatchewan, which had been placed on probation and told they had two years to meet standards for accreditation. Yet the minister of Learning at the time jumped up and said he had met with officials at the university. He said, and I quote:

I've have indicated to the president and to the public . . . (we will) be strongly supporting whatever initiatives are required to make sure we have a viable, sustainable College of Medicine in the province of Saskatchewan for years and years to come.

Mr. Speaker, the minister of Learning then became the Minister of Finance. Yet in his first budget for the province, the College of Medicine was completely ignored, and no money has been allocated to help them begin to meet the accreditation requirements.

Mr. Speaker, why did the minister not follow through with his December commitment?

Some Hon. Members: Hear, hear!

Hon. Ms. Junor: — Mr. Speaker, as we discussed last week, we continue to support a strong and viable College of Medicine and we are working with our partners to address strategies that we need to put in place to meet those requirements that were put forward in the accreditation process.

We have received the recommendations from the academic health sciences group and we will work together with them to put the money forward that is needed to address those recommendations in the very near future.

Some Hon. Members: Hear, hear!

Mr. Gantfoer: — Mr. Speaker, last week the minister indicated to the media that the college's needs weren't addressed in the budget because the request came in too late. However, the minister in the lead up to the budget announcement said the budget hadn't been finalized until the last minute, and he had lots and lots of input into the document. And late Friday, department officials told the media that indeed the college's preliminary requirements had been received by the

NDP government at the end of February or very early in March.

Mr. Speaker, clearly the Minister of Finance and the Minister of Learning and presumably the Minister of Health had a very good idea what the college would be needing to begin the process of meeting the accreditation demands. Why in the world did this Finance minister not include a commitment to the college in the budget?

Some Hon. Members: Hear, hear!

Hon. Ms. Junor: — Last week's paper quoted Mr. Coates, the vice-president of academics from the university, saying they don't have a figure in mind, a dollar figure in mind. So that is why we are reviewing the recommendations and will work with them to address the recommendations and what's needed to move those forward.

The report was received from the Academic Health Sciences Board at the end of February and we are reviewing those recommendations. It is now the April 7.

Some Hon. Members: Hear, hear!

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, the accreditation report indicated that it may cost something in the magnitude of 8 or \$10 million to meet all the accreditation issues that are facing the College of Medicine, Mr. Speaker.

Mr. Speaker, this is no secret. In fact the Minister of Finance, when he was the minister of Learning, and was quoted in the press as saying he recognized that the College of Medicine had been underfunded by his NDP government for years.

Some Hon. Members: Hear, hear!

Mr. Gantfoer: — Mr. Speaker, the Minister of Finance is a graduate of the College of Medicine. He understands or should understand — and if he doesn't he certainly needs to be told — that his College of Medicine is in danger of losing its accreditation and this province is in danger of losing its College of Medicine.

Why in the world didn't the Minister of Finance do something about it in the budget?

Some Hon. Members: Hear, hear!

Hon. Ms. Junor: — Thank you. We didn't get the recommendations until the end of March . . . or the end of February, which puts it outside the budget process. So we are now reviewing those recommendations and I can assure the college, the university, the students, the medical students in this province, and the people of Saskatchewan that we will not see the College of Medicine leave this province. We will do everything we can to support it and sustain it.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you very much, Mr. Speaker. Mr. Speaker, last week the Finance minister indicated he was prepared to use special warrants later this spring to finance the College of Medicine at the University of Saskatchewan in order

for them to begin meeting their requirements for accreditation.

Mr. Speaker, it's clear the NDP government did receive the preliminary recommendations and funding request from the college and the University of Saskatchewan with enough time, with enough time to be included in this provincial budget, but for some reason the NDP chose to ignore it. The Minister of Learning just indicated that, in the very near future we'll make some kind of announcements.

Mr. Speaker, we are still in budget debate in this Legislative Assembly. The NDP could simply amend their budget to include an allocation for the College of Medicine. Why is the minister intending to use a special warrant for this purpose instead of the budget process underway at this time?

Some Hon. Members: Hear, hear!

Hon. Mr. Melnychuk: — Mr. Speaker, when we talk about the support of this government for the College of Medicine, it has been impressive. When we talk about the university funding mechanism which was clearly indicated to address some of the concerns in regard to research and the College of Medicine, we have preferentially provided additional dollars to the University of Saskatchewan, Mr. Speaker.

And when we talk about what are the needs of the College of Medicine, we have not yet got a dollar figure from the Academic Health Sciences Network with . . . which this government created, which was one of the points that the accreditation committee said was moving forward. They were very happy to see the Academic Health Sciences Network created. They've made a recommendation. We have not yet looked at the numbers in terms of the recommendation to address the library concerns or the concerns with regard to faculty. As soon as we have that information, we will bring that forward. Right now we don't have a number to put into our budget estimates because we haven't got that number, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Krawetz: — Thank you, Mr. Speaker. You know this government continues to procrastinate and to say, it's going to occur in the future. In the meantime, in the meantime, we lose our young people who no longer want to remain in this province, Mr. Speaker.

Mr. Speaker, the use of special warrants are usually for emergency spending that comes up well after the annual budget for the province has passed. This situation is different. The province knew about the college's needs. They knew the time frame needed to work under but still they chose to ignore this priority in this budget.

Mr. Speaker, this move to use special warrant spending by the NDP, even before their own budget process is complete, is a big concern because the minister is indicating to taxpayers that he is prepared to circumvent the budgetary process and increase the deficit and debt of the province even further.

Mr. Speaker, today we will be debating the first interim supply Bill to finance the government's new spending plans. Why

doesn't the minister just amend their . . . the budget and include support for the College of Medicine to the interim supply Bill?

Some Hon. Members: Hear, hear!

Hon. Mr. Melnychuk: — Mr. Speaker, this is the ludicrousity of the members opposite. Here we have a Finance critic who says we should put a number in when we don't even know what the number is. Is it 4 million? Is it 8 million? Is it 10 million? We don't know that number, Mr. Speaker. And this man has the gall to get on his feet and say, put some money in. Well we can't put money in until we know what the dollars are, Mr. Speaker.

This government respects the process. It respects the fact that when we're going to have a program or we're going to have an item, we need to have a dollar figure attached and we just don't float numbers out there until we know the numbers, Mr. Speaker.

Some Hon. Members: Hear, hear!

(14:15)

Mr. Krawetz: — Mr. Speaker, the Finance minister talks about, floating numbers don't mean a whole lot. Six point eight per cent growth versus the whole world? Mr. Speaker, that's ludicrous, that's ludicrous.

You know the other thing that's ludicrous is that the NDP continue to spend outside of the budget — the international hockey championship bid, the loan for the Saskatchewan Roughriders— and now the suggestion by the minister that support for the College of Medicine will be allocated the same way, outside . . .

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

Mr. Krawetz: — Thank you, Mr. Speaker. Mr. Speaker, spending outside the budget is going to get this province into huge difficulties. Special warrant spending is intended for emergencies, not for massive spending outside of the budget process.

Mr. Speaker, the government has just tabled a budget that has not even been passed by this Legislative Assembly. It's supposed to show the people of the province the government's complete financial plan of the year. Yet the minister and the NDP are already announcing spending outside of it.

My question, Mr. Speaker: will the minister tell this Assembly how much special warrant spending outside of the provincial budget the minister and the NDP government have planned for this year?

Some Hon. Members: Hear, hear!

Hon. Mr. Melnychuk: — We all know the linkages of the members opposite to the Devine Tories. We all know that that administration did not even have a Treasury Board meeting for some two years. They would not present budgets to this Legislative Assembly. And here we have a member who wants us to put numbers in before we even know what the numbers

are, Mr. Speaker.

Well I tell you this is also the same group that in the last election said, no spending for health care; no funding for the College of Medicine; no funding for education. And that was a double whammy on training in this province because you know what, Mr. Speaker? We wouldn't have a College of Medicine if those guys were in government, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, please.

INTRODUCTION OF BILLS

Bill No. 9 – The Agricultural Implements Amendment Act, 2003

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

Hon. Mr. Serby: — Thank you, Mr. Speaker. I move that Bill No. 9, The Agricultural Implements Amendment Act, 2003 be now introduced and read the first time.

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

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

Bill No. 10 – The Saskatchewan 4-H Foundation Amendment Act, 2003

Hon. Mr. Serby: — Thank you, Mr. Speaker. I move that Bill No. 10, The Saskatchewan 4-H Foundation Amendment Act, 2003 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.

Bill No. 11 – The Municipal Employees' Pension Amendment Act, 2003

Hon. Mr. Melenchuk: — Mr. Speaker, I move that Bill No. 11, The Municipal Employees' Pension Amendment Act, 2003 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.

POINT OF ORDER

Hon. Mr. Hagel: — Mr. Speaker, there is a long-standing tradition in this House, and in all Houses, that debate in this House should be on subjects and matters that are before us and not on personal attacks. Mr. Speaker, it is also a long-standing tradition that it is unacceptable in this House to accuse another member of being intentionally misleading.

Mr. Speaker, I heard very clearly in her third question to the House in question period, the hon. member for Weyburn, in referring to the minister responsible for Liquor and Gaming Authority, use these words:

... we cannot count on this minister to tell us the truth.

Mr. Speaker, I would suggest to you that there ... I would suggest to you, Mr. Speaker, that that was a statement that is clearly, clearly intended to challenge the integrity of the minister and to accuse the minister of misleading the House

There may be the argument made that it's indirect but we all know as well, Mr. Speaker, that members cannot do indirectly what the rules do not permit them to do directly. I would ask, Mr. Speaker, that the hon. member would rise in her place, withdraw that remark, and apologize to the House.

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, under Beauchesne's, 6th Edition, rule 491, it states:

The Speaker has consistently ruled that language used in the House should be temperate and worthy of the place in which it is spoken. No language is, by virtue of any list, acceptable or unacceptable.

Mr. Speaker, I'd like to quote from Saturday's paper, April 5, on an article, headline reads:

Opponents slam bingo 'boondoggle'

Mr. Speaker, it says and I quote:

The Opposition Saskatchewan Party first raised the botched bingo attempt in Friday's question period ... (when) MLA Brenda Bakken asked if the province had done due diligence or put together a business plan before getting into the bingo business.

No one was able to answer that question.

Ron Osika, minister of Saskatchewan Liquor and Gaming Authority ... didn't know if the province had done due diligence or made a business plan before launching mega bingo.

The Speaker: — Order. Would the member, would he please stick to the point of order or get to the point.

Mr. D'Autremont: — Thank you, Mr. Speaker. I am and I will. I'll carry on with the quotation:

He did say there was an advisory committee established prior to the project and the committee thought mega bingo ... (was) a good idea.

SLGA spokesperson Lisa Ann Wood said that was actually not the case.

The Speaker: — Order, please. Order, please. Order, please. The member is entering into a debate on a point of order and providing debating ... debating other issues other than the point of order. So I find that ... Order, please. So I've given the member an opportunity to link it but he has not, so I will take any others who might want to comment on the point of order. Otherwise I will rule on the point of order.

Why is the member from Indian Head-Milestone on his feet?

Mr. McMorris: — Mr. Speaker, to speak to the point of order. (14:30)

It goes on to say here:

(Only after) The government . . .

The Speaker: — Order, order. Order. If the member wishes to speak to the point of order, he would speak to the point of order, please.

Mr. McMorris: — It's clearly that the committee was struck after when the minister said it was. It was misleading the House for him to say that it was . . .

The Speaker: — Order, order. Once again, members . . . Order, please. Once again what I'm finding here, members, is that the member's raised a point of order with respect to use of language and parliamentary processes, and the response is a matter of debate. Which is quite fine for this House, but it's not to be done during the time of a point of order.

I clearly also did hear the member's statement when it was made. I did not want to interrupt the flow of question period at the time. One of the guidelines that a Speaker has to use during . . . on items like this is a judgment call with respect to precedences, and the other is whether or not people that are involved actually are offended by it. And clearly in this case members were offended.

I would rule on this that what a member has done is used, by implication and indirect way, of what she did not do directly — and that is not use language that is unparliamentary directly, but the implication was quite clear indirectly. And furthermore, that the issue in the question period or any other debate should be issues of substance against policy, rather than on personal matters.

And I find that over the last while, particularly in some cases even off the record, that members have been personal. I would ask — far too personal — I would ask members to respect each other with respect to keeping personalities out of the debate to the extent that they can.

I would simply ask at this stage that the member from Weyburn-Big Muddy arise and withdraw the statement.

Ms. Bakken: — Mr. Speaker, I'd like to withdraw my statement and apologize to the House.

The Speaker: — I thank the member and we will continue with orders of the day.

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I'm extremely pleased today to stand on behalf of the government and table responses to written questions 38 through 49 inclusive.

The Speaker: — Responses for questions 38 to 49 have been submitted.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Motions for Interim Supply

The Chair: — I would invite the Minister of Finance to introduce his officials.

Hon. Mr. Melenchuk: — Well thank you, Mr. Chair. To my immediate right is Ron Styles, deputy minister of Finance. To his right is Kirk McGregor, assistant deputy minister, taxation and intergovernmental affairs. Directly behind Kirk is Dennis Polowyk, assistant deputy minister, treasury and debt management division; and directly behind me is Glen Veikle, assistant deputy minister, treasury board branch; and to his right is Joanne Brockman, executive director, economic and fiscal policy; and just behind Joanne is Jim Nelson, director, audit branch revenue division. These are the officials from the Department of Finance that are with us today, Mr. Chair.

Now, Mr. Chair, before I move the resolution I would like to note a small change to the interim supply request as compared to previous years. Interim supplies over the past three years have requested two-twelfths of the amount to be voted within the estimates. In addition to requesting the two-twelfths, this supply Bill requests an additional amount for the Department of Learning and an additional amount for the Department of Ag, Food and Rural Revitalization.

The additional 17 million for the Department of Learning will address the issue of funding for school boards who operate on a 10-month basis and the proposed supply Bill will eliminate school board concerns that were raised last year.

The additional funds for the Department of Ag, Food and Rural Revitalization will fund loans under the 2002 short-term hog loan program.

And with that, Mr. Chair, I would like to move resolution no. 1:

That a sum not exceeding \$991.941 million be granted to Her Majesty on account for the 12 months ending March 31, 2004.

And I so move.

Mr. Krawetz: — Thank you, Mr. Chair. We'll get to that question sometimes today, I hope.

I'd like to welcome the minister's assistants, as far as the people that are here to provide the minister with some information and help us to understand, not only the official opposition but the people of Saskatchewan, as we move into interim supply. I'm sure there are many people wondering what that really means and what is the minister referring to when he talks about two-twelfths and the reason for this Bill.

So, Mr. Minister, I'd ask that you would explain to the people of Saskatchewan why you have chosen two-twelfths in one case for the spending that is required by the various departments and

what this will mean to the people of Saskatchewan regarding the ability to make payments and the like. Please give that explanation to the people of Saskatchewan.

Hon. Mr. Melenchuk: — Well, Mr. Chair, I think that we all know that we're just starting into the Committee of Finance and that there will be considerable discussion on the overall estimates of government. And of course these overall estimates will be voted off and that is the full budget number.

What this interim supply Bill does is it allows the government to pay out to third party organizations, dollars right now, that are coming payable, until the budgetary estimates are eventually voted off. So this is . . . what it is, is an opportunity to allow the government to pay the bills that will be coming due to government in the very near term and to provide those additional dollars as a proportion, which is basically one-sixth of the overall budget estimates, so that those bills can be paid until the final estimates are voted off, Mr. Chair.

Mr. Krawetz: — Thank you very much, Mr. Minister. Mr. Chair, to the minister, you also have indicated that statutory amounts of course are not being voted on. Could you explain to the people of Saskatchewan exactly what is meant by statutory amounts and why we don't have actual votes taking place on those things?

Hon. Mr. Melenchuk: — Well, Mr. Chair, the interim supply vote does minus off the statutory amounts, because the statutory amounts are dollar figures that are actually included in legislation and as such have already been approved to be paid. So the statutory amounts basically are taken off the interim supply because they are already covered off by the Legislative Assembly.

Mr. Krawetz: — Good. Thank you very much for those explanations, Mr. Minister.

Mr. Minister, in preparing your budget obviously we're looking at an expenditure of one-sixth of the budget for the next two months. We're also looking, of course, as revenue. And government has identified many sources as to where their revenue will be obtained throughout the course of this fiscal year.

Mr. Minister, I want to turn your attention to the Budget Summary document, if I could. On page 19, when you indicate in your opening paragraph and I'd like to enter this into the record by reading that it says:

Gross domestic product (GDP) measures the production or output of an economy. Nominal GDP is based on market prices that include inflation. It measures the value of production of an economy. Real GDP removes that inflationary component to measure the volume of production of an economy.

With that introductory paragraph could you explain in, probably I would refer maybe to layman's terms, what is meant between nominal GDP and real GDP?

Hon. Mr. Melenchuk: — Well, Mr. Chair, to the member opposite, nominal GDP is the growth in the economy that

would include inflationary pressures. And what real GDP does is it actually measures the growth of an economy minus the obvious changes in inflation.

So when we talk about real GDP, we're actually referring to 1997 dollars. So nominal GDP generally is a higher figure than real GDP and it depends on the base year in terms of . . . And those base years change from time to time.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, that's how I understood it, that in fact when you would look at nominal GDP and you would have inflation built into it and we know we are in an inflationary rate somewhere in that 2 to 3 per cent and if you subtracted that inflation from nominal, we would end up with a real GDP number that probably was slightly different.

Now if I could ask you to look at page 22, when you have a chart that you've prepared for the people of Saskatchewan called the economic outlook for Saskatchewan and I'd ask you to look at the two columns headed by the years 2003, 2004.

Now if we followed your explanation or your definition of what you just said, in 2003 you have listed that the nominal GDP will be 5.2 — an extremely high number in comparison to the rest of the numbers for previous years. And you indicate that the real GDP is 6.8, in fact a higher number than the nominal rate. Then in 2004 your chart does the very same thing. It has a nominal GDP of 2.3 and a real GDP of 3.5. Now in 2005 your numbers sort of match the definition that you gave us — 3.3 for a nominal rate and 2.4 for a real GDP rate.

Could you tell us what is happening between, in fact, 2002 when you indeed show that we had a negative real GDP of negative 1.4 and a nominal of 2.5? In each case we have two years where the real GDP number is smaller than the nominal, and in two years it's larger. Could you explain for the people of Saskatchewan how your department has arrived at these numbers, the kinds of analysis that went on to produce these kinds of numbers, for all four years, if you would?

Hon. Mr. Melenchuk: — Well, Mr. Chair, first off the 2003 price assumptions for Saskatchewan's principal commodities are all lower than the 2002 actual average prices, with the exception of natural gas. Now, for example, average oil prices in 2003 are actually expected to be more than 4 per cent lower than they were in 2002.

And on page 20 of the budget summary document there is, if I refer the member to page 20, presents the price assumptions for wheat, barley, canola, oil, natural gas, and potash.

And if he looks at the numbers carefully he will notice that the difference for wheat, for example, from 2002 to 2003, is 170 to 169.84, and that's Canadian dollars per tonne. In 2004 it will further drop to 168.52, and 2005, 172.95. And same with barley: 152 to 147 to 141 to 142 — that's 2002 to 2005. And canola 375 to 367. WTI (West Texas Intermediate) oil, 26 to 25 to 24 to 24. Natural gas is the one that does go up, 3.78 to 4.25, and then drops back to 3.75. And potash we're projecting at 209 to 201 to 196 to 198.

So the difference is basically on price assumptions for principal

commodities and that's why the difference is there.

Mr. Krawetz: — Thank you, Mr. Minister. But, Mr. Minister, it still doesn't explain your definition that you gave us when you said that nominal GDP contains inflation. Real GDP is GDP minus that inflation. So in all cases we're sort of looking at what you've produced here and saying, if you've got a number that contains inflation and you subtract out that inflation, we should have a smaller number.

Are you suggesting that maybe we're in a deflationary kind of mode that we had in the '70s where we didn't see, in fact see massive inflation rates and then a deflation situation? Because the two years just don't add up.

So could you explain how your definition that you gave to this House, how the paragraph that you have included in your budget summary that talks about nominal GDP being a larger number than the real GDP, how does that fit with the fact that you've now reversed those two numbers for the years 2003 and 2004?

Hon. Mr. Melenchuk: — Well, Mr. Chair, there's a little difference in terms of the concepts involved here. When we talk about inflationary in the usual context of the consumer bag that most people would talk about and what's reported widely in the media, that's what, when we talk before the adjustment, we're talking specifically with regard to that.

When we talk about the, as the member noted, with regard to these specific commodities which are very important to the Saskatchewan economy, that we are predicting some deflationary type things, lack of growth in those areas.

So we're really not comparing apples to apples. We're making an adjustment on the consumer price index, which is the inflation that we talk about and what is adjusted in terms of the 1997 dollars. But we are seeing differences with regard to the commodities that we've itemized out on page 20.

Mr. Krawetz: — Thank you, Mr. Minister. Wow, okay we understand what you're referring to as far as the consumer price index. There still is a great concern by people when they look at your projections because there are not massive declines.

I know you've made reference . . . And I'll just use your wheat chart that you have for the price of wheat per tonne, \$170 to 169.84 — that's 16 cents per tonne. That's like a third of a cent per bushel. I mean that's not significant numbers at all — dropping to \$168.52 in 2004. That's a little over \$1.30, probably like 3 cents a bushel. So these are not massive amounts, Mr. Speaker . . . I mean, Mr. Minister. There are not the significant changes that you indicate for the drastic change from real GDP to nominal GDP. Those numbers just don't seem to add up.

Could you explain to the people how those very insignificant changes in the prices that you've used, how they can make those kinds of huge changes in the GDP?

(14:45)

Hon. Mr. Melenchuk: — Well, Mr. Chair, there's two things

to consider. The values of the commodities in 2002, we're seeing a decrease in 2003 but we had some significant negative volumes in 2002.

So there's two factors to consider in here — the commodity prices and the volumes.

Mr. Krawetz: — Well, we'll . . . I guess, Mr. Minister, we'll agree to disagree on that one.

Mr. Minister, let's take a look at your growth projections of 6.8. And I know you've identified that in your preparation of this document you are using reduced prices from 2002 to 2003 for wheat, for barley, for canola, for oil, for natural . . . No, sorry. Natural gas is up a little bit and potash is down.

So in all cases you've used a rate or a value for a particular product. Whether it be a tonne of grain or a barrel of oil, you've used a smaller number. Yet you say that we're going to have 6.8 per cent growth. More than double the growth of all of Canada obviously and in more than one sector than just agriculture. How can you . . . How do you produce a number of 6.8 per cent growth when you're indicating that the values of all the products that's used . . . that you used to calculate the kind of return for the province of Saskatchewan, are going down?

Hon. Mr. Melenchuk: — Well, Mr. Chair, the answer is simple again. It's the volume.

Last year we only had 14.1 million tonnes and we're projecting that to grow into the 24, 25 million tonne range. So even though the commodity prices may have dropped off, we're looking at a significant increase in the volumes.

And the assumptions with regard to real GDP as outlined previously are based on returns to a normal or an average crop. So with a jump from 14 million tonnes to 25 million tonnes, the real GDP growth will be realized.

Mr. Krawetz: — Mr. Minister, in the calculation of your revenue amounts for the various components, you're projecting for oil a significant decline in the amount of revenue. So we're dropping by well over \$300 million. You're projecting a drop in potash revenue. You're in fact projecting a drop in natural gas revenue from the end . . . forecasts of March 31, 2003, Mr. Minister. I want to clarify that. This is not in comparison to your estimate amounts. This is in comparison to what you have forecast as your concluding revenue sources for March 31, 2003. Those have all declined in the amount of dollars that you expect, yet you're saying that there is a 6.8 per cent growth. How does that balance?

Hon. Mr. Melenchuk: — Well, Mr. Chair, the member opposite does point out that we are forecasting lower revenues in those specific areas. And I think the important thing to recognize here is there is no direct correlation between real GDP growth and the revenue projections of government.

Part of this is related to equalization check offs. Part of it is related to issues within the sector economics that apply to these various numbers. So the reality is, there is no direct correlation between the 6.8 per cent and the revenue projections.

And I would point out that last year, with the volatility that we experienced in the economy last year, that there is a clear example of how it works in Saskatchewan. We had a minus 1.4 per cent in real GDP and yet the revenues of government were up \$310 million.

So that's just an example of why the 6.8 per cent and the revenue projections for those commodity sectors would appear to differ.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, there are many sectors that contribute to the GDP for the province of Saskatchewan.

We have a tremendous forestry area, we have a mining area, we have agriculture, we have production of natural resources, the kinds of things that lead to the complete GDP.

Which sectors, Mr. Minister, lead — and I know you wouldn't have access to all of those as far as what percentage they contribute to the GDP but — what are the top two or three or four sectors that contribute the largest to Saskatchewan's GDP?

Hon. Mr. Melenchuk: — Well, Mr. Chair, I think of the many economic sectors, the top three would be the service sector, number one; the resource sector, number two; and the agricultural sector, number three, Mr. Chair.

Mr. Krawetz: — Thank you, Mr. Minister. And, Mr. Minister, another question connected to GDP. What do your officials estimate agriculture to contribute to the GDP in terms of a percentage? You've mentioned it's probably number three in order. What amount does it contribute to the GDP in total?

Hon. Mr. Melenchuk: — For 2003, Mr. Chair, we're predicting agriculture to contribute approximately 9 per cent to the GDP. Last year, 2002, was more in the 6 to 6.5 per cent range.

Mr. Krawetz: — Mr. Minister, then if . . . And I've heard you in the House and other members of your cabinet indicate that your projection of 6.8 per cent growth is based on the fact that there was a tough year in agriculture for the last couple of years and quantity is down, and we know that. When we talk to farmers, especially on the west side of the province, their bins aren't very full right now — in fact, they might be pretty empty. So as a result there isn't the tonnage that we've expected.

But yet you indicate that the agriculture sector is only going to contribute about 9 per cent to the overall GDP. So if we're going to see even a return to a normal crop year — I think is the words that you used in the Assembly, Mr. Minister — if we see a normal crop year, we still may only see 9 per cent contribution for GDP. How are we going to get a 6.8 per cent growth to all of Saskatchewan if agriculture is only going to be contributing that small percentage?

Hon. Mr. Melenchuk: — Well, the simple answer, Mr. Chair, is because the volumes in crop production is increasing 82 per cent on our forecast, and that's the simple answer.

Mr. Krawetz: — Okay, thank you, Mr. Minister. We'll see how an 82 per cent growth in tonnage, which normally means 9

per cent of GDP, is going to move GDP from negative 1.4 to 6.8. That'll be interesting I guess, as we move along, Mr. Minister.

But let's turn to a couple of other areas, Mr. Minister. I know there are many of my colleagues who would like to ask you some questions related to their areas but I still have a number.

Mr. Minister, on page 22, again of your Budget Summary document, your officials have included a chart called the Saskatchewan real GDP. And you use the number for 2002 of 30.5.

Mr. Minister, I heard you in this House read numbers from various financial institutions that were projecting the GDP growth in the province of Saskatchewan. Three of the numbers that you read were that the GDP for 2002 that those institutions were using was 31.5 in two cases and in one case it was 31.6. Your chart indicates that that number is 30.5. So either the financial institutions have used the wrong number for the last year or your officials or yourself has used the wrong number.

Could you clarify the difference why we see in the papers a number of 31.5 as the GDP for last year and in your document a number of 30.5?

Hon. Mr. Melenchuk: — Mr. Chair, there's only two forecasting groups right now that have tagged 2002 real GDP in Saskatchewan at 30.5 and that's the Department of Finance here and the Conference Board of Canada.

The other forecasters in their preliminary forecasts have all indicated real GDP higher than 30.5, but we're expecting an adjustment from many of those forecasters later as we get into late April, May, and perhaps as late as late May before the adjustments are made.

So as it currently stands, there are only two groups that have forecast the dip in our economy to the extent that we have and that's ourselves and of course the Conference Board of Canada. We're expecting that the other forecasters will be making their adjustments within the next one to two months.

Mr. Krawetz: — Mr. Minister, the forecasters that have used the 31.5 number have indicated that they feel that GDP will grow to 32.5 which fits into that 3 per cent growth.

If you use your number of 30.5, you're projecting that it will grow from 30.5 to 32.5, double what all of the other projections are. Because it doesn't matter whether you use 31.5 to a 32.5, I would believe that as we would have the projections reassessed by the various firms — and your suggestion is that the 31.5 is not accurate that they've used, that in fact 30.5 is accurate — will you see a reduction in their numbers more so to still stay at a 3 per cent growth rate?

Your numbers are into that almost 7 per cent growth rate which doesn't match with anyone else in the country, which doesn't match with the province of Alberta. And I note that you indicated or one of your members indicated that it was great that Saskatchewan was second to Alberta and I note that Alberta has just used the GDP growth rate for 2003 of 4.1 per cent.

So we have some situations that the people of Saskatchewan can't quite understand. You've used a number of 30.5 to get to a number of 32.5. That is a 7 per cent growth rate but if your initial number of 30.5 is wrong, as some of the other institutions are suggesting, a growth rate of only 1 from 31.5 to 32.5 is still only a 3 per cent growth rate. So how do you relate those two numbers, Mr. Minister?

(15:00)

Hon. Mr. Melenchuk: — Mr. Chair, I think the simple answer is that most of the private forecasters have not incorporated the fact that the volume of production in Saskatchewan in 2002 dropped to 14.1 million tons. That's the simple reality.

Our projections of 6.8 per cent, I think . . . And I will quote from the BMO Financial Group Special Report March 28, 2003, and what it says here and I'll quote:

There are two reasons for this large difference of opinion. First, private sector forecasters estimate 2002 real GDP growth at +1.3%, while the government puts the figure at -1.4%, a difference of 2.7 percentage points. Thus, over the two years 2002 and 2003, private sector forecasters have growth averaging 2.2%, while the government has it averaging 2.7% — a much more reasonable difference of opinion. (and)

Second, the government is assuming a return to average crop production in the 2003 growing season, while a number of private forecasters are not as optimistic. For 2004, the government and the private sector are in the same ballpark, with the government projecting real GDP growth of 3.5% and the private sector at 3.3%.

So the reality is that there's two factors involved here, Mr. Chair. There's the base level with regard to real GDP. Most of the other private forecasters haven't factored in the reality of the actual volume of production on our commodity and that's where the difference on the base occurs.

And the Conference Board of Canada, which has already assumed the same base as we have of 30.5, are only projecting a one-third return to normal crop whereas we're predicting a return to a full recovery.

So that's the difference. The numbers are really . . . it's based on forecasts and estimates. And the other forecasters, the private forecasters, once they've made the adjustment for the volume of production in 2002 and if they were to assume a normal crop year, their numbers would come out exactly the same as ours because the models aren't that much different, Mr. Chair.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, let's turn to another area, which is the province's debt. And if I could refer you to page 49 of your Budget Summary document.

Mr. Minister, the Public Accounts Committee and I think this Legislative Assembly relies on the information produced by the Provincial Auditor's office.

On page 49 you indicate, or this document indicates that the

combined debt of the Crown corporations and government for a number of years — and you show 1994 and 2002, '03, '04, and '05 — you indicate that in 1994 the combined debt, the overall debt of the province of Saskatchewan was \$14.9 billion. In 2002 it's 11.4 billion, and in 2003 we're projected to be at 11.7 based on your summary for March 31 that just ended. Mr. Minister, I believe one of your officials has the document with him.

Understanding the finances of the government — I'm sure that Mr. Styles knew that I would be asking these questions — that indeed on page 34, the chart that is there indicates the overall debt of the province of Saskatchewan from 1991 to 2002. And I note, Mr. Speaker, that the year 2002, the Provincial Auditor indicates 11.4 billion which matches the 11.4 billion that you have in your chart.

But when I go back to the year 1994, your chart indicates 14.9 billion and the Provincial Auditor's chart indicates 14.2. So either there is a difference in how GDP is defined or . . . I'm sorry, how the liabilities of the government are defined because we've relied on the numbers, this Assembly has relied on the numbers of the Provincial Auditor. We've had this chart in our hands for years.

Could you explain why the Provincial Auditor's indicating that the overall liability of the Crown corporation and the government debt in 1994 was 14.2 billion, and your chart indicates \$14.9 billion?

Hon. Mr. Melenchuk: — Well, Mr. Chair, my officials tell me that they don't have the detail of the breakdown of that information here with us. The question from the member opposite is that in 1994 there is a difference between what the Finance officials have put forward as the overall Crown and government debt of 14.9 billion at that time, and what has been stated in the Public Accounts which is 14.2 billion.

And so what we'll need to do is find out the breakdown of the aggregates and how that would net out then; what's included in our number that isn't included in the Provincial Auditor . . . But we'll get that information to the members opposite, Mr. Chair.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, I'd also encourage your officials . . . as I pointed out to you, that 2002, the 11.4 matches with what the Provincial Auditor has said. It's 11.4, your document says it's 11.4. So somewhere there's either some confusing numbers from 1994 in the Provincial Auditor's document or in your document.

Mr. Minister, your government over the last number of years, and I want to, I indeed want to congratulate the former Finance minister for moving to quarterly reports. And we've seen quarterly reports that is I think much more beneficial to the people of Saskatchewan to understand the financial picture, the overall picture of the province as we move forward, to see those quarterly reports.

And, Mr. Minister, I want to make reference to the third quarter report. And I would not be surprised if you don't have that with you, or maybe one of your officials is going to have it . . . and she does, that's excellent.

Mr. Minister, the third quarter report suggested on the revenue side — and I think we were looking forward to a debt and we were looking forward to a lot of change in the overall picture — it forecasted that the third quarter report for, and I'll use the number of the tax, the overall taxes of \$3.381 billion, okay?

Then when you produce your budget document the numbers have changed significantly. In the non-renewable resources it changes. In fact it even changes in the transfers from the federal government overall.

When the people of Saskatchewan and businesses and all and everyone who looks at the third quarter report to get an understanding of the overall financial picture of the province sees that a short three months later the numbers were really out, they weren't that close, that leads one to question whether or not the numbers that were given when the third quarter report was released, what they had to do with reality because we see such a tremendous change.

We knew the price of a barrel of oil. We heard the former Finance minister talk about that. We knew that there were discussions going on with all the tax situations.

Could you explain how the third quarter report missed the mark as far as its projections when we look at the final report that you've indicated is there for March 31 of 2003?

Hon. Mr. Melnychuk: — Well, Mr. Chair, the question from, Mr. Deputy Chair, from the member opposite is why the big change from the third quarter report to the actual budget documents.

First off, when the third quarter report was filed, there hadn't been a whole lot of new revenue numbers compared to mid-term. February, we received the adjustment from the federal government with regard to the mining tax base. And I'm sure the member opposite is aware that originally the October numbers that we had, September, October numbers we got from the federal government had talked about a clawback of 300 million in equalization based on that mining tax base.

Now the change that was, the concession made by the federal government at that time was that instead of using the 1999 mining tax base as the base year, they used the forecast from 2000. That resulted in the provincial government receiving 150 million back at that point, which is . . . which was a substantive amount compared to what we'd included in the third quarter forecast.

We also received the spikes or the so-called war premium on oil and gas. Those numbers became available in January, February; and also the corporate income tax, the personal income tax, the numbers on equalization, and the CHST (Canada Health and Social Transfer) numbers came out in February from the federal budget.

So we don't get those numbers . . . we only get those numbers twice a year. Those numbers were provided in February and were, all of these were then incorporated into the revenue projections that brought the budget together at this point in time, Mr. Chair.

Mr. Krawetz: — Thank you very much, Mr. Minister. Mr. Minister, as I understand equalization and how it works, is as our revenues grow — especially in certain sectors, oil and gas being one of the sectors — basically we contribute or we lose equalization based on the revenue that we obtain.

You indicated that in your budget that the year-end number for oil revenue was 798 million. And I've made reference to the fact that for this coming budget year you're projecting a drop to 490 million — a \$300 million drop.

When you talk about equalization and the new agreement that has been put into place, how does that translate into the fact that you're now projecting only \$172 million worth of equalization for the upcoming year? Is there any correlation between the oil and gas loss of \$300 million worth of revenue or are we still contributing a portion to the new calculation that was done for the mining base? What kinds of things have contributed to the fact that we have increased our equalization from basically a negative position last year to one of 172 when in fact our oil and gas projected revenues are dropping by over 300 million?

Hon. Mr. Melnychuk: — So, Mr. Chair, equalization is a relatively complicated sort of item and has been a subject of great debate across the country for some time.

When we look at equalization as bilateral agreements between the Government of Saskatchewan and the federal government — and of course it is a process that is enshrined in our constitution; the principles of equalization are enshrined in the constitution — but each of these agreements are five-year agreements. The current agreement will be up the end of March 2004. And at any given time, we budget on an annual basis but the numbers in terms of the entitlement on an annual basis and prior-year adjustments, generally speaking there are four years open in any given year.

(15:15)

So the reality of the day is that yes, when oil and gas revenues go up the equalization dollars from Ottawa go down and that's roughly how it works. But when we look at prior adjustments, if you look at the impact of the mining base change in terms of significant impact on the province of Saskatchewan in terms of equalization, there are I think 32 or 33 bases, revenue bases in the equalization formula. They look at where these revenue bases fit in for the province of Saskatchewan; they look at the average across Canada; they provide the equalization on that basis.

If there's clawbacks that need to occur from an entitlement then that adjustment is made. So it's a little more complicated in the fact that not only do you have the current year to talk about or the forecast year in terms of entitlement, but you also have to make the adjustments in terms of clawbacks based on the four open years.

So it's not a simple, if this goes up this goes down, or if that goes down that goes up; because there are a number of factors that come into play and those factors come over multiple years as opposed to just the budget year that you're looking at.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, one

final question on equalization. The number that you have in your document of \$172 million, is that number prepared by federal financial officials who indicate to your Saskatchewan officials that that's it, or is it in co-operation where you work . . . where your officials work with federal officials to disprove or to prove that that number is accurate? And I recognize your comments about its complexity and going back a number of years and having to amend the year based on something that's happened three and four years ago.

But is that number that's produced for this document, is it produced by federal officials, your own officials, or collaboratively?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, the question was, how does the process work? Is it a collaborative process and so forth with regard to equalization?

Apparently what happens, Mr. Deputy Chair, is that the federal government provides its numbers '02-03. That's a fixed number. The department officials then look at that fixed number in terms of equalization from the federal government, utilizes the fourth quarter updates that are available to the provincial government, and then . . . and whatever other factors that might be apparent at the time, and then incorporates that into the forecast for '03-04.

So the '03-04 forecast for equalization is the federal government's '02-03 numbers as updated by the provincial government officials.

Mr. Krawetz: — Thank you for that, Mr. Minister. Mr. Minister, I want to turn to a few specific items in your budget before I allow some of my colleagues to pose a few questions to you. Mr. Minister, I know . . . I believe a former Finance minister provided this.

Could you . . . or if you don't have that information with you today, but could you provide that information to the opposition that on the transfers from the Government of Canada in the category of other, you've indicated that we're going to be up at about \$194.6 million from last year's 139.5. Would you have the information as to the various transfers, which departments, which sectors from the federal government have transferred the monies to the Saskatchewan treasury in that total amount of \$194.6 million?

Hon. Mr. Melenchuk: — I think, Mr. Deputy Chair, what the member opposite is talking about is the difference between the '02-03 forecast of 139.5 and the '03-04 budget of 194.6. It seems like it's a significant jump in federal-provincial program funding.

And most of that would be related to the new federal-provincial health accord. For example, 32 million with regard to the Health Reform Fund; 16 million for the diagnostic medical fund; and there's quite a . . . there's a breakdown of a lot of smaller, other pots that we'd be more than prepared to provide that information to the member opposite. Most of it would come from the new federal-provincial health accord which was recently signed by the federal and provincial governments.

Mr. Krawetz: — Thank you, Mr. Minister, for willing to

provide that information to us.

I'd also ask, Mr. Minister, if you could right now clarify . . . We've heard announcements from the federal government regarding highways and the project for Saskatchewan, the five-year allotment of money. How much monies does the province intend to receive for this fiscal year?

And also, Mr. Minister, I would understand that the payments from the federal government for things like Saskatchewan Crop Insurance are also included in a category, and I would suspect it's other. So I did hear you I think, and I'd like you to clarify, that your officials will provide a complete breakdown of the 194.6 million as far as the various sectors that will . . . various sectors of the federal government that will be contributing. Is that so?

Hon. Mr. Melenchuk: — Yes, that's correct, Mr. Deputy Chair. We'll provide the complete breakdown with regard to federal-provincial funding, crop insurance, health accord, all of those numbers. We'll provide that to the member opposite.

Mr. Krawetz: — Thank you very much, Mr. Minister. Mr. Minister, a couple of final questions.

You've indicated in the area of taxes that the corporation income tax . . . Your year-end you had anticipated \$178 million on March 31 just passed and for this current fiscal year you're going to jump to 340.9 — a huge growth in corporation income tax. That kind of growth is great and we'll see a revenue for the government, but could you give the reasons why your officials are projecting that kind of rapid increase?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I would refer the member opposite to page 32 and . . . with regard to corporate income tax. And I'll just read what it says here:

Corporate Income Tax (CIT) revenues have been extremely volatile throughout Canada. This is largely due to the fluctuating economic conditions facing corporations and the ability of corporations to apply deductions and prior year losses in other taxation years under the national CIT system. The chart at the bottom of . . . page (32) illustrates the volatility in Saskatchewan's CIT revenues over the past 10 years.

And it goes on to say:

The 2002-03 Budget Estimate was significantly influenced by assessment results for the 2000 . . . (tax) year . . . (the) information indicated a sharp decline in Saskatchewan's CIT base. However, (the) 2001 assessment results demonstrate a substantial rebound in that base.

So this newer information impacts not only the reconciliation adjustment for the 2001 taxation year for the purposes of the '02-03 revised forecast, but also the anticipated '02 reconciliation adjustment and the '03 payments for the purpose of the '03-04 budget estimate.

So it's, as you can tell, Mr. Deputy Chair, it's a complicated issue. Again it involves multiple years and it also involves different assessments from different base years. So that's most

of where it's coming from. It's not like the corporate income tax base in the province of Saskatchewan just doubled overnight. It's mainly related to some changes with regard to the information that we received from CCRA (Canada Customs and Revenue Agency) in Ottawa. Thank you, Mr. Deputy Chair.

Mr. Krawetz: — Thank you, Mr. Minister. And, Mr. Minister, I hope that the federal calculations are accurate with regards to the corporate income tax for this province because it seems that a growth of, you know, nearly \$200 million is phenomenal in that area and I hope that those numbers are accurate.

Mr. Minister, two years ago you introduced the forest fire . . . or your government introduced the Forest Fire Contingency Fund. I recall that we had legislation passed that created that fund. Initially it was created at \$50 million, and then there was some discussion about whether or not the legislation was in place to maintain that fund and we passed legislation. I noticed that that Forest Fire Contingency Fund has completely disappeared from the Estimates book that we have for this current fiscal year.

Is that going to require a legislative change to change the legislation that was put in place two years ago?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, no, there isn't any legislative changes required. The structure's in place. It's provided for by the legislation. It's just that we haven't provided any dollars to the Forest Fire Contingency Fund in this budget, but there's no legislative requirements for change required.

Mr. Krawetz: — Mr. Minister, this seems rather strange if I can, I can make that analysis.

Two years ago we had to deal with supplementary estimates because there was no fund in place. And we passed estimates last year of over \$7 million in addition to the 36 million that was spent in the Department of Environment under the section (ER10) dealing with forest fire fighting.

This last year your government proposed that there would indeed be the complete elimination of the fund — no revenue set aside as was previously done.

So in other words, it's sort of an off-balance-sheet kind of accounting because I notice in your documents that you distributed on March 28, supplementary estimates are indicating that for this past forest fire year, we're going to vote on, as numbered vote 26, we're going to vote on an additional \$41 million of forest fire fighting expenses in addition to the budget estimate that you have indicated of 35 . . . I believe 35 million. And I want to clarify that, Mr. Minister. Yes, your estimate for the year that just ended is \$35.185 million was spent by way of the Department of the Environment.

(15:30)

So, Mr. Minister, we've had \$76 million worth of firefighting costs last year. Your budget for the upcoming year proposes only an additional basically \$700,000. It's still at 35.8. We know that there are sectors of the northern part of Saskatchewan that did not get the snowfall, did not get the rainfall. We're probably going to be into a high forest fire season, yet your

government chooses and your Finance officials choose not to set aside additional funding that was needed last year. We needed \$75 million last year — 76 million.

This year you're saying, well we're going to survive again on \$35 million, and I guess rely on either special warrants or supplementary estimates that we're going to deal with a year from now. So it's almost like the system that you used last year when you used off-balance-sheet accounting . . . Or the former Finance minister used off-balance-sheet accounting by moving the funding of capital construction in the K to 12 (kindergarten to grade 12) and post-secondary area off the balance sheet. We have the same thing kind of occurring here.

Should you not have been budgeting a far greater number than 35 million based on the expenditures of this past season, based on the expenditure of the previous season, based on the fact that you had . . . your government thought it wise two years ago to set up a Forest Fire Contingency Fund of \$50 million? And now you say, oh it's not needed; we're not going to do anything extra; we're going to rely on \$41 million of supplementary estimates.

Somehow there seems to be a lack of a vision, a lack of a plan to deal with a very important resource in our province, and that being the forestry industry and making sure that forest fire fighting abilities are there. Something seems to be missing, Mr. Minister. Could you explain?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, last year was a very, very bad year for fighting forest fires, there's no question about it. The numbers that are referred to in the budget with regard the Department of the Environment — he indicates it's going from 35.185 to 35.8 — that's correct.

The Forest Fire Contingency Fund had about 34 or 35 million available which was used to fight forest last year, and also in the supplementary estimates, an additional 41 million. So the reality is that the amount of dollars to fight forest fires, which is one of the worst years on record, was substantial by the Government of Saskatchewan and of course have, as we talked about last week, has added to some of the debt that has increased in the province of Saskatchewan as well.

So the member opposite is absolutely correct. We haven't put any new dollars into the Forest Fire Contingency Fund; those dollars have been depleted. We haven't added any new dollars this year.

And we're coming off a very bad year where we were required to put in an additional 41 plus what was previously allocated. And we're hoping that with the increased moisture levels this year that the forest fire situation will be markedly improved. And we'll have to address pressures as they arise, Mr. Deputy Speaker.

Mr. Krawetz: — Mr. Minister, as I've indicated and you've concurred that last year we spent well over \$75 million fighting forest fires. Maybe an abnormal year, I agree with you. But we did spend well over . . . almost 50 million in the year before, and that was also a bad year. So we've seen the need for a Forest Fire Contingency Fund.

Now you make reference to the fact that the fund contained money. Could you explain? Because it was my understanding from questions that I asked of the previous Finance minister a year ago that indeed the Forest Fire Contingency Fund wasn't a fund that had money. Could you clarify that?

Hon. Mr. Melenchuk: — The dollars in the Forest Fire Contingency Fund last year were dollars that had been carried over from the previous year. There wasn't any new appropriation applied in last year's budget to the Forest Fire Contingency Fund, Mr. Deputy Chair.

Mr. Krawetz: — Mr. Minister, if I was to check the Provincial Auditor's report as of March 31 of 2002, would I have found mention of the fund and where would it be?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I'd refer the member opposite to the 2001-02 Volume I Public Accounts on page 26, schedule 5, Forest Fire Contingency Fund, 2002, number itemized 33.995 million.

Mr. Krawetz: — Thank you very much for that, Mr. Minister. Mr. Minister, my final question — you indicated that, you know, you're going to sort of have a wait-and-see kind of attitude regarding the forest fires and whether or not we have kind of a cost factor that will be above the \$35.8 million that you see budgeted in the document.

Mr. Minister, if there are going to be additional dollars required, will you be relying on the same process as the government relied last year, which is indeed to introduce it under supplementary estimates, or will you be looking at special warrant expenditures during the year?

Hon. Mr. Melenchuk: — I think the answer to the question, Mr. Deputy Chair, is that it depends on the circumstances. If it's smaller amounts that would be required, then of course there's potential offsets in terms of underexpenditures from other departments and things of that nature. If it was a large amount then we'd have to look at that in the context of when did it occur and what are options available.

So I guess it's one of those ones where you can't really provide an answer because it would depend on the circumstances and would also depend on the quantum of dollars that would be needed. Obviously the government would pursue whatever options it felt was in the best interests of the people of Saskatchewan at that time, Mr. Deputy Chair.

Ms. Draude: — Thank you very much, Mr. Deputy Speaker. And to the minister, welcome to your officials. I have a couple of questions on K to 12 learning, Mr. Minister.

The budget this year shows that we're going to have about a \$32 million increase in K to 12 operating, and when you came into the House today you stated that there was going to be an additional 16, I believe \$16.1 million that's going to be voted on today, and I believe that would be the special warrants that were asked for by the government for September to December, 9.2 million; and January to March of 6.9 million. Is that correct?

Hon. Mr. Melenchuk: — I apologize if there's been any

confusion to the members opposite, Mr. Deputy Chair, but we are not voting on the supplementary estimates at this point. We're talking about interim supply. And the interim supply is two-twelfths of all other departments. But what we're talking about — because the K to 12 system does not disperse funds in July and August; they work on tenths — so what we're voting . . . we're asking for, in interim supply, is two-tenths of that budget. So that would allow us to carry us into the near future before we get into voting off the actual budgetary estimates, Mr. Deputy Chair.

Ms. Draude: — Thank you for that clarification, Mr. Minister. When I looked at the budget and the \$32 million increase that was suggested, I also know that there has been \$16.1 million spent for special warrants for the teachers' salaries so far. So that's going to be showing up in this year's budget as far as I can see. The 9.2 million and 6.9 means that there . . . that is \$16.1 million, which is actually about half of the budget increase that we're . . . that the minister has been talking about. Is this money actually going to be showing up in this year's budget?

Hon. Mr. Melenchuk: — Mr. Deputy Speaker, I think the special warrant in the supplementary estimates for the Department of Learning for K to 12 foundation operating grant is 6.643 million. That was the special warrant funding.

There was additional funding provided from the Department of Learning last fall to cover off the teachers' contract for September, October, November, and December. This was . . . these were dollars that were not provided on a special warrant basis. We've added the 6.643. These dollars are now in the base of the foundation operating grant.

And the member opposite is correct in indicating that the increase of budget over budget is in that 32-point-something-million range. And part of that would include the special warrant and the additional funding that came from the Department of Learning to cover off the September to December teachers' contract as well, Mr. Deputy Chair.

Ms. Draude: — But, Mr. Minister, the total budget for 2002-2003 was 477,000,600, and for 2003-2004 was five zero nine, nine hundred, which is 32 million 300 . . . If you've . . . we've already spent 16.1 million of that for salary increases that the government has said that they're going to pay for, so that would only leave about \$16 million left that hasn't been spent already. Am I correct?

Hon. Mr. Melenchuk: — No, Mr. Deputy Speaker. I mean the reality is that once you look at what was in the base last year, and you added the additional dollars to cover off '02-03 to the end of the year, now we provided the dollars on top of what was required; so that is '02-03 funding. So that 32 million, budget over budget, will be spent over the government's fiscal year, and that is dollars over and above last year's budget estimate, Mr. Deputy Chair.

Ms. Draude: — Mr. Deputy Chair, Mr. Minister, the government's fiscal year is of course different from the schools' calendar year. And when we know that the Provincial Auditor is going to add up the numbers for 2002-2003, he's going to add in the special warrant numbers, and that means that the total K

to 12 operating which from . . . to 2003 will be \$493.7 million. That's \$16.2 million which is part of your . . . the government's promotional literature right now.

Does that mean that we are . . . at least a portion of that either has to be added to last year's budget or has to be added to this year's budget, unless it's just left in supplements altogether? We have to see this number showing up somewhere.

Hon. Mr. Melnychuk: — Mr. Deputy Speaker, I think that just for purposes of clarification, the interim supply that we're asking for today for the Department of Learning is 196.398 million. Okay, that's the two-tenths that we're talking about.

The question with regard to the special warrant of 6.643, obviously that will be included in the forecast for the '02-03 year, and would be reflected in the public accounts when the public accounts come out.

The budgetary estimates that we're including for '03-04 would be the increase, the budget estimate increase in that \$32 million range on the foundation operating grant.

(15:45)

So what we're talking about here is a two-tenths supplementary amount or an interim supply that we're asking for related to the entire budget of the Department of Learning. So I would apologize if there's any confusion here, but we're not talking about what would be reflected in the Public Accounts of '02-03. What we're talking about is two-tenths of the budget estimate for the Department of Learning, Mr. Deputy Speaker.

Ms. Draude: — Thank you, Mr. Deputy Speaker. To the minister: then the question that I will have to be asking — and I guess obviously that will have to be asked to the Minister of Learning — is that if a portion of this money has already been spent, then the teachers' salary increase that was discussed in the budget and by the minister saying that the salary increase has been covered, a portion of that, probably from December on, won't have been covered because it will be already have been spent from January to March of this year. So we would have to require a special warrant to actually cover the rest of it.

Mr. Minister, I can get into that question with the Minister of Learning in estimates, but my further question to you would be on the Education Infrastructure Corporation. We have \$32 million, I believe, left in that corporation; \$32.4 million is left in that corporation. And this year we see the capital spending has been moved back to Department of Learning and we're going to be spending about \$18 million on capital. Two million of that will be to pay off, to pay back some of the capital construction from the, from the Education Infrastructure Corporation.

First of all, out of this \$32.4 million, has that money all been allocated or is there money in there that will be spent in this year's budget?

Hon. Mr. Melnychuk: — The answer is that those dollars have been allocated to projects and will carry on. Most of these projects of course are completed over several years, Mr. Deputy Speaker.

Ms. Draude: — So, Mr. Minister, then even though it shows that there is \$32.4 million left in this, in this fund, it has all been allocated and will be spent this year so next year we can see that whatever amount of money this government will put in for capital structures, we will again be paying back that bill to the corporation in next year's budget.

Mr. Minister, can you give us an idea of how much of that \$32.4 million was for K to 12 structures and how much was for post secondary?

Hon. Mr. Melnychuk: — Mr. Deputy Speaker, I don't have the breakdown on the 32.4 million so I would ask the Learning critic, perhaps when we get into the estimates for the Department of Learning to ask those specific questions because the department would have a better idea of the breakdown than we have at this point in time.

And I must also indicate that this is a statutory amount that is not part of what we're voting on here in interim supply at this point in time.

Ms. Draude: — Thank you, Mr. Minister. Mr. Minister, the school capital this year of \$18.6 million is about half of what was spent in K to 12 infrastructure building last year, a considerable decrease when we know that at the school systems there is a requirement of about \$300 million for capital and for ongoing maintenance. It would mean that there is considerable less emphasis put on the importance of the school structures.

And again when I see out of this \$18 million, over 2 million of it was spent on paying back that . . . their debt, it sends a signal to the school system that this item is not very important to this government, to the minister, who was at that time the minister of Learning.

This \$18.6 million has been allocated this year and out of it again the 2.4 that is going to be transferred to the Education Infrastructure Financing Corporation would leave about 16 million. Has that money already been allocated? We're aware in the budget there was . . . a school was announced in Ile-a-la-Crosse. Has there been any other schools announced?

Hon. Mr. Melnychuk: — Mr. Deputy Speaker, I think other than the announcements that have been made, the Department of Learning will make further announcements in terms of the capital projects that will be approved. And the critic for the Department of Learning, the member opposite, knows that many of the rollouts in terms of capital projects that haven't been approved, the Department of Learning . . . (inaudible) . . . be making those announcements usually over the one to two months after the budget is prepared.

In terms of the global numbers, generally speaking, when we look at last year, there was \$40 million provided to the K to 12 education sector and the previous year was 24. So even with the drop back to the 18.6 over the two years, there's still more dollars. And those dollars that were provided and will be provided through the EIFC (Education Infrastructure Financing Corporation) this year are going into schools throughout the province. So the amount of dollars that is available over these two years is actually more than what was available in the previous two years, Mr. Deputy Chair.

Ms. Draude: — Mr. Deputy Chair, to the minister, over two years there has been more money admittedly put into school infrastructure. But in the last year, this budget that we're discussing right now and the interim supply that we're discussing right now, there is a decrease of about 50 per cent in education infrastructure. And I know that the school boards across the province are very concerned about this issue. And again they're concerned about the number that was put into school operating money when we know that school . . . the teachers' salaries are not totally covered.

Mr. Minister, you said that the 32.4 million in the Education Infrastructure Financing Corporation has all been spent. Is there a list that we can see . . . that is available so we can see what projects have been included?

Hon. Mr. Melnychuk: — Mr. Deputy Speaker, the terminology is they have been committed to be spent. They're not spent yet. So the reality is that there are dollars available for capital in the province of Saskatchewan. And what we're talking about here is not the EIFC funding, which is a statutory amount; we're talking about the two-tenths with regard to the interim supply. And that's two-tenths of the Department of Learning's current budget, Mr. Deputy Speaker.

Mr. Wall: — Thank you, Mr. Deputy Chair. Some questions here with respect to interim supply as it relates to the Crown sector if I may, Mr. Deputy Chair. And the first question, a little bit more specific, in the interim supply document it highlights the — under lending and investing — the 3 million for ISC (Information Services Corporation of Saskatchewan). And I wonder if the minister has any details as to what that lending is for?

Hon. Mr. Melnychuk: — The 3 million estimated for ISC would be the capital needs for ISC for the budget year '03-04, Mr. Deputy Chair.

Mr. Wall: — Thank you, Mr. Deputy Chair. I wonder if the minister knows whether or not that's a reinvestment or an improvement of existing capital, or would that be related to the start-up of our automated land titles system?

Hon. Mr. Melnychuk: — I couldn't tell him. He'd have to actually ask the minister responsible for ISC when those estimates come up. What we're voting on here are the interim supply and the proportion of two-twelfths that would be applied. Detailed questions as to the allocation would be more appropriately put to the minister when the minister has his officials from the Department of Justice here, Mr. Deputy Chair.

Mr. Wall: — Thank you, Mr. Deputy Chair, and we will ask those questions I think in Crown Corporations Committee when that Crown testifies before that committee.

The lending and investing . . . or at least the lending activities of the Crowns are all a part of this first two-twelfths interim supply it looks like for the most part, at least for the major Crowns.

And I guess a question I would have relates to SaskPower. We will be . . . There's been some hint as to the dividends that the

GRF (General Revenue Fund) can expect from SaskPower in various media reports, specifically that the dividend's going to be much higher than it was last year.

The corporation's outlined I think a much more optimistic look at this year and highlighted the problems that they had with respect to the cost of generating electricity, and cost of natural gas was one of them as well as the drought. But we hear indications that the dividend is expected to be much higher from SaskPower, and clearly the overall dividend in the budget from CIC (Crown Investments Corporation of Saskatchewan) is at that \$200 million level.

Does the minister have any comments as to the fact that SaskPower's debt is — and there is some borrowing . . . or some lending here — but SaskPower's debt is going up significantly this year, estimate in and around . . . over the \$100 million mark, while rumour is that there's going to be a much larger dividend to GRF? And maybe the minister is able to let us know what will be in the annual report in a few weeks anyway, at least a general estimate on the dividends expected from SaskPower.

Hon. Mr. Melnychuk: — Mr. Deputy Chair, that's information that we don't have at this time that would be better put to the Minister of CIC.

Certainly when we look at what we're voting on here in interim supply, any of the amounts indicated, for example SaskPower, would be a statutory amount that has been taking off. So we're not actually looking to vote in interim supply any dollars for SaskPower. So any of the questions related to SaskPower, what their potential dividend might be, what it might have been last year, all of those questions really would be better put to the Minister of CIC or in the Crown Corps Committee. That information isn't available to my officials here at this point in time, Mr. Deputy Chair.

Mr. Wall: — Thank you, Mr. Deputy Chair. You know, fair enough — I think we're talking about expenditures of the government and interim supply is about taking care of those needs for at least two-twelfths of the year. And I think the question then that the minister has answered just begs is, the fact that when the budget's presented, they clearly highlight the amount that they expect the Crown Investments Corporation will be providing as a transfer at \$200 million.

And I guess just on the minister's answer, surely the department has a very clear estimate of the dividends that they're going to be getting from individual Crowns that constitute the \$200 million. Is that not correct?

(16:00)

Hon. Mr. Melnychuk: — Mr. Deputy Chair, I think the member will recall that last year's overall estimates indicated a dividend from Crown corporations of 300 million. That 300 million included the base I . . . of the time of 200 plus a supplementary that had been deferred dividend from a previous year. The estimate for this year is back to the base dividend of 200 million.

So the expectation from the GRF to the Crown sector is that

they will meet their dividend targets of 200 million. And how they get into meeting that target is better addressed to the Crown Investments Corporation in terms of their estimates for the various Crowns. That information is not available to us at this time, Mr. Deputy Chair.

Mr. Wall: — Well thank you, Mr. Deputy Chair. It seems passing strange, at least, that department officials, when they're putting together the budget — or I should say even the cabinet — wouldn't have a clear idea going in from the major Crowns as to what their dividends are forecast to be to the GRF. But I understand that the minister is asking us to wait for Crown Investments Corporation committee meetings, and we'll certainly be asking those questions there.

One final question, and again it is on the revenue side of the equation I guess, but I think relates directly not only to interim supply but just generally to the sustainability of the budget. And so perhaps the minister would clarify why, in terms of investment receipts, equity investment in Crown corporation, your Crown Investments Corporation, was forecast to generate receipts of \$61.3 million in 2002-2003 and zero in 2003-2004?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, could we have the member opposite reference what page he's referring to in the documents? . . . (inaudible interjection) . . . He says page 14? Okay.

Mr. Deputy Chair, the reference to page 14 with regard to the equity investment in Crown Investments Corporation, which is the schedule of lending and investment activities, indicates an estimate in '02-03 of 60 million, a forecast in '02-03 of 61.3; and basically that is the result of the equity repayment from the Cameco shares, Mr. Deputy Chair.

Ms. Harpauer: — Thank you, Mr. Deputy Chair. I notice that the two-thirds interim supply for the Agriculture department is just short of \$42 million.

Could the minister tell us what percentage of that is allocated for outstanding crop insurance claims?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, the member opposite, the two-twelfths which is the almost 42 million in the Ag, Food and Rural Revitalization would be the government's contributions for things like crop insurance premiums and program support and things of that nature. Actual payments to producers from the crop insurance program would come out of the Crop Insurance Fund and has either been paid or is in the process of being paid.

So what we are talking about in the two-twelfths is the allocation or the government's contributions to the various programs within Ag, Food and Rural Revitalization for the '03-04 year.

Ms. Harpauer: — I thank the minister. My next question would be, would . . . is there an allocation in that amount of money for the crop insurance applications that will be coming in, for the government portion or will they be contributing their percentage of this year's crop insurance at a later time?

Hon. Mr. Melnychuk: — What we're voting on today, Mr.

Deputy Chair, is the two-twelfths and that 42 million with . . . specifically for crop insurance. Basically the crop insurance's purpose is that that two-twelfths vote today would be the government's contribution to the Crop Insurance Fund, the provincial government's contribution in terms of its percentage of premiums, Mr. Deputy Chair.

Ms. Harpauer: — Thank you. Can the minister tell us what percentage of that allocation the government estimates it will have to contribute to the Crop Insurance Fund?

Hon. Mr. Melnychuk: — Of the 41.970 that . . . or almost 42 million which is the two-twelfths interim supply, a little over 19 million of that would be specifically targeted for crop insurance premiums from the provincial government, Mr. Deputy Chair.

Ms. Harpauer: — I thank the minister. Mr. Deputy Chair, is any of that funding of the interim supply to be allocated to outstanding CFIP (Canadian Farm Income Program) claims or is there no longer any outstanding CFIP claims?

Hon. Mr. Melnychuk: — No, Mr. Deputy Chair. The CFIP dollars have been accounted for in last year's fiscal year. And of course the member opposite would be aware that the CFIP program ended at midnight March 31, so the dollars that were put into the CFIP fund were put in by the provincial government.

That program is now basically eliminated. The agricultural policy framework is gearing up.

Any of the dollars that were put aside for CFIP from last year's allocation that need to be paid out will be paid out, probably mostly this year, Mr. Deputy Chair.

Ms. Harpauer: — I thank the minister. Mr. Deputy Chair, the other program that I would like to ask about is the forage program. It was the program that paid \$7 per acre up to 50 acres.

A lot of the people who applied for that program said they were paid the initial payment; the final payment is just coming through to some of them now. Has that been completed or is there some funds that need to still be paid out on that program?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, any of the detail with regard to the forage program would be better addressed to the Minister of Ag and Food. But I can say that, with regard to the '02-03 fiscal year, that we will cover off claims right up till April 17 when . . . generally that's when the fiscal year is closed off by the department.

So I'm sure their processing is still occurring at this point in time. And of course anything regards an '03-04 application, the Minister of Ag and Food would need to answer those questions, Mr. Deputy Chair.

Ms. Draude: — Thank you, Mr. Deputy Chair. And to the minister, I'm sure you're delighted to answer another question on education.

And I just need clarification on the amount of money that the two-twelfths interim supply . . . I understand that the

two-twelfths is to be voted, two-twelfths of that plus the additional sixteen, nine nine seven. And I'm wondering why you're asking for that additional amount of money at this time when this interim supply is probably for the months of April and May, and when you're talking about the operating grant for school boards, who don't get funding in July and August, why would you be requiring a sixteen, nine nine seven at this time?

Hon. Mr. Melnychuk: — When we're looking at the allocation of dollars for the Department of Learning, because they operate on a . . . the school boards operate on a calendar year and they pay out in tenths as opposed to twelfths. Two-tenths of the amount required for April and May would be one-tenth each month. So the reality is, Mr. Deputy Chair, that we're voting on two-tenths because the allocation is spread out over tenths as opposed to twelfths.

So what we're asking for in interim supply is the amount of dollars that would be provided for the months of April and May.

Mr. Gantefer: — Thank you very much, Mr. Chair, and Minister of Finance, and your officials. There is a few questions that I'd like to address related to the Department of Health which I think everybody acknowledges is the largest single department expenditures in the affairs of the government.

Mr. Minister, of the approximately \$2.5 billion budget, a number of about 1.7 billion is going to regional authorities, and in that includes capital projects. In your request for interim supply, you do a mathematical two-twelfths calculation on the global budget.

And I would like to ask you, is it the experience of the Department of Finance that the funds for Health are expended on a uniform, consistent basis, or are there significant variances depending on what stages capital projects are underway or requests for capital equipment are brought forward?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, certainly in terms of the capital allocation from the Department of Health, the Minister of Health would be able to respond to the detail.

What we have been told is that the two-twelfths that we're asking for in terms of interim supply will meet the needs of the Department of Health in terms of their current allocation with regard to capital projects. And further details of course would be available from the Minister of Health, Mr. Chair.

Mr. Gantefer: — Thank you, Mr. Chair. I'm wondering, Minister, from the Department of Finance's standpoint, where you would actually allocate the requisitions or the expenditures that would be at the request of the Department of Health.

Is it the experience of the Finance department that these requests for Health expenditures are on a uniform average basis on a 12-month basis or are there periods of significant increase and then periods where the requirements are less? For example, you indicated in the Department of Learning in the summer season there are fewer requests for funding. Does that same pattern of expenditures occur in the Department of Health?

(16:15)

Hon. Mr. Melnychuk: — I think the member opposite would be correct in his assumption that there is some volatility in terms of the timing when expenditures occur within regional health authorities and certainly within the Department of Health. That's the sort of detail that the Finance department doesn't get into. Certainly the Minister of Health would be in a better position to talk about that.

But our allocation with regard to the interim supply of two-twelfths, we couldn't say whether . . . our officials couldn't say whether this is the exact, correct amount but it's certainly the amount that the Department of Health recommends to us as being appropriate for their short-term needs, Mr. Chair.

Mr. Gantefer: — Thank you, Mr. Minister. Mr. Chair, I note that there are a number of significant capital projects. For example, in Melfort the Parkland Place project is scheduled to be completed, I believe, in August of this current year. So the expenditures on that project for example will end about halfway through this current fiscal year — a third way in.

Does the department or does the Department of Finance make any alterations in their budgeting process for when projects like this end and other ones begin? Is it a continuous kind of a cycle? And I hear you say that the Department of Health has advised that two-twelfths will see them through in the short, you know, in this allocation. But I wonder if there are some significant projects that could skew this information for you?

Hon. Mr. Melnychuk: — Mr. Chair, certainly when you look at the capital requirements for the Department of Health and the allocation of those dollars, many of the larger projects obviously would have allocations over several budget years. Not that different than what is experienced in the Department of Learning, for example, where they might announce planning dollars in one budget year and then have that as part of the allocation in a subsequent year when the major construction would occur.

But it's our information from the Department of Health that at this point in time the two-twelfths interim supply meets the needs of the Department of Health. And there are no unforeseen circumstances that we're aware of at this point in time, Mr. Chair.

Mr. Hart: — Thank you, Mr. Chair. Minister, I notice in the supplementary estimates that was tabled with this year's budget that there is a figure of \$1.6 million under the Department of Highways and Transportation. And the note that goes, that's part of that estimate indicates that the funds are required to provide for costs reimbursed by the federal government under the strategic highway infrastructure program.

I wonder if you could elaborate on the arrangement that your government has with the federal government under that particular program, the strategic highways infrastructure program; how the funds flow from the senior government to your government; and the need for this supplementary estimate?

Hon. Mr. Melnychuk: — Mr. Chair, when we talk about strategic highways infrastructure program or SHIP, the Department of Highways allocation of two-twelfths interim supply in the amount of a little over \$49 million, any of the

projects that would have been contractually agreed to with the federal government and have been subsequently paid by the provincial government, then a request to the federal government for reimbursement would occur. And it's my understanding that these projects that have been contractually agreed to are on a 50/50 basis.

So the process involved is that the project, as it's being completed or when it's completed, a bill would be provided to the federal government for its 50 per cent allocation and the federal government would then repay the provincial government.

Mr. Hart: — Mr. Chair, Minister, with that type of an arrangement and with those . . . with that particular program, and perhaps other programs, are you saying that the province pays the entire cost and then applies for a 50 per cent refund? And if that is the case — I see your deputy minister's nodding, so I assume that is the case.

Now how for accounting purposes and so on, the federal dollars that are received once the application has been made for reimbursement, how is that treated? Is that part of the highways and transportation budget then, when that income . . . or when those monies are received from the senior government?

Hon. Mr. Melnychuk: — Mr. Chair, what the department does is it gross budgets the estimates and then, when the revenues are received by the federal government, it would come in on the GRF side as revenue at that time, Mr. Chair.

Mr. Hart: — So, Mr. Chair, Minister, then if I understand you correctly the Department of Highways estimates the cost, the entire cost. And then on the revenue side it would show up under that area of other transfers from the federal government. Is that what you're saying?

Hon. Mr. Melnychuk: — That's exactly correct, Mr. Chair. That's where the other transfers from the federal government on the revenue side would come in at that time.

Mr. Hart: — Mr. Chair. So, Minister, would it be fair to say then when we look at the entire budget for this current fiscal year for Highways and Transportation of \$296 million, that in actuality or in fact then some of those dollars would be federal government dollars then? Would that be a fair statement?

Hon. Mr. Melnychuk: — That's correct. The expenditures of 296 million within Highways and Transportation would be for projects that are estimated to be completed with those dollars over that time frame, and they would include federal government revenue offsets, Mr. Chair.

Mr. Hart: — Mr. Chair, Minister, could you tell us today how many of those \$296 million are actually federal dollars in this year's budget then?

Hon. Mr. Melnychuk: — Mr. Chair, it's my information here that for the strategic highways infrastructure program, SHIP, in the budget estimate for '03-04 is for receipt of \$7.9 million on that program from the federal government for '03-04.

Mr. Hart: — Mr. Chair, Minister, I understand that there is

also another federal program that is, I believe the funding arrangements under this, the other program — and I am sorry that I don't have the exact name of it but I'm sure your officials know the program I am referring to — that there is also federal dollars for highway projects under another program besides the strategic . . . I believe it's the . . . in the announcement I believe there was dollars indicated that there would be federal dollars flowing from the infrastructure program and if I understand the announcement correctly, I believe it was 50/50 dollars.

And I am wondering how many federal dollars would be in the 296 million from that particular program and any other particular program, federal program that would make up the highways budget. Could you provide those numbers?

Hon. Mr. Melnychuk: — Mr. Chair, under the new Canada Strategic Infrastructure Fund, which did not have any dollars allocated in '02-03, the estimated federal government contribution for '03-04 is slightly more than \$6 million on the CSIF (Canada Strategic Infrastructure Fund).

The National Safety Code had provided \$193,000 in '02-03 and the National Safety Code budget estimate for '03-04 is \$190,000 in the estimate for '03-04 from the federal government.

Mr. Hart: — Mr. Chair, Minister, how are the funds that are . . . flow from the federal government under the Prairie Grain Roads Program, how are those funds treated? Are they treated in a similar fashion to say the SHIP program? And if so, could you tell us what the funds that were received under that program in the last fiscal year and the anticipated funds in the current fiscal year that we are talking about?

Hon. Mr. Melnychuk: — Mr. Chair, to the member opposite. Yes, the way that federal government offsets are provided for in each of . . . all of the departments across government is the same. So if there's a federal-provincial program, there are other federal government sources that would come into that, and that would be included in the overall budgetary allocation.

With the specific . . . with regard to the Prairie Grain Roads Program, last year's forecast or budget estimate was 14,686,000. The estimate this year is almost exactly the same of 14.69 million. So that's the budget estimate '02-03 and '03-04 for that particular program, Mr. Chair.

Motion agreed to.

(16:30)

Hon. Mr. Melnychuk: — I move that the committee rise and that the Chair report that the committee has agreed to certain resolutions and ask for leave to sit again. Oh, wrong one.

I'd like to move resolution no. 2:

Resolved that towards making good the supply granted to Her Majesty on account of certain charges and expenses of the public service for the fiscal year ending March 31, 2004, the sum of \$991,941,000 be granted out of the General Revenue Fund.

I so move.

I so move.

Motion agreed to.

Motion agreed to.

The committee reported progress.

The Assembly adjourned at 16:41.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Mr. Melenchuk: — I move that the resolutions be now read the first and second time, Mr. Speaker.

Motion agreed to and the resolutions read a first and second time.

APPROPRIATION BILL

Hon. Mr. Melenchuk: — By leave of the Assembly, I move:

That Bill No. 12, The Appropriation Act, 2003 (No. 1) be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill read a first time.

Hon. Mr. Melenchuk: — By leave of the Assembly and under rule 55(2), I move that the Bill be now read a second and third time.

Motion agreed to and, by leave of the Assembly, the Bill read a second and third time and passed under its title.

ROYAL ASSENT

At 16:38 Her Honour the Lieutenant Governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 12 - An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 2004

Her Honour: — In Her Majesty's name, I thank the Legislative Assembly, accept their benevolence, and assent to this Bill.

Her Honour retired from the Chamber at 16:39.

Hon. Mr. Lautermilch: — Mr. Speaker, leave of the House to introduce a motion regarding the sitting hours of the Assembly.

Leave granted.

MOTIONS

Hours of Sitting

Hon. Mr. Lautermilch: — Thank you. Mr. Speaker, I move, seconded by the member from Cannington:

That notwithstanding rule 3(4) of the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, that when this Assembly adjourns on Thursday, April 17, 2003 it do stand adjourned until Wednesday, April 23 at 1:30 p.m.

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