



FIRST SESSION - TWENTY-FIFTH LEGISLATURE

of the

**Legislative Assembly of Saskatchewan**

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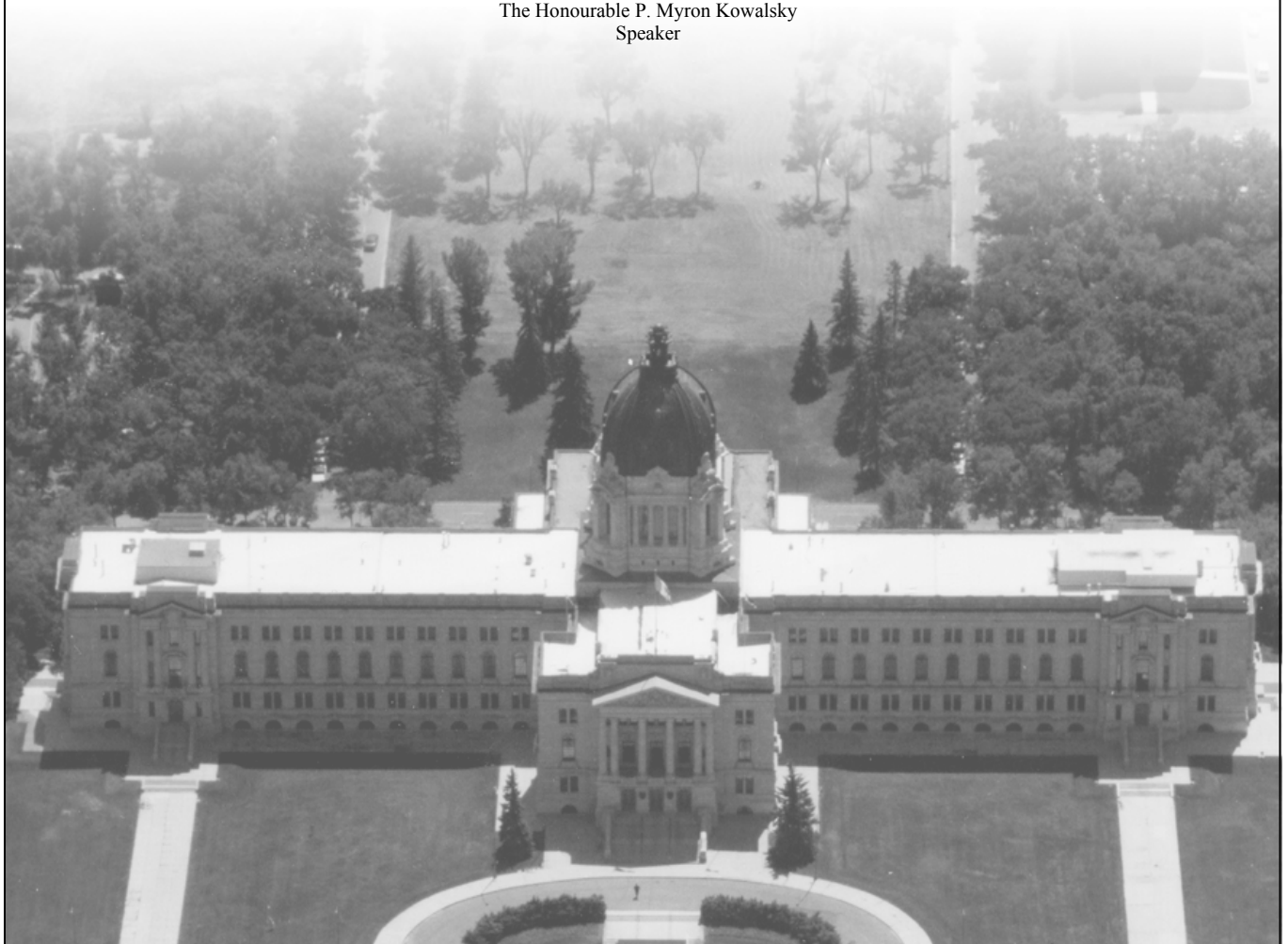
**DEBATES  
and  
PROCEEDINGS**

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(HANSARD)

Published under the  
authority of

The Honourable P. Myron Kowalsky  
Speaker



**MEMBERS OF THE LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**

Speaker — Hon. P. Myron Kowalsky  
 Premier — Hon. Lorne Calvert  
 Leader of the Opposition — Brad Wall

<b>Name of Member</b>	<b>Political Affiliation</b>	<b>Constituency</b>
Addley, Graham	NDP	Saskatoon Sutherland
Allchurch, Denis	SP	Rosthern-Shellbrook
Atkinson, Hon. Pat	NDP	Saskatoon Nutana
Bakken, Brenda	SP	Weyburn-Big Muddy
Beatty, Hon. Joan	NDP	Cumberland
Belanger, Hon. Buckley	NDP	Athabasca
Bjornerud, Bob	SP	Melville-Saltcoats
Borgerson, Lon	NDP	Saskatchewan Rivers
Brkich, Greg	SP	Arm River-Watrous
Calvert, Hon. Lorne	NDP	Saskatoon Riversdale
Cheveldayoff, Ken	SP	Saskatoon Silver Springs
Chisholm, Michael	SP	Cut Knife-Turtleford
Cline, Hon. Eric	NDP	Saskatoon Massey Place
Crofford, Hon. Joanne	NDP	Regina Rosemont
D'Autremont, Dan	SP	Cannington
Dearborn, Jason	SP	Kindersley
Draude, June	SP	Kelvington-Wadena
Eagles, Doreen	SP	Estevan
Elhard, Wayne	SP	Cypress Hills
Forbes, Hon. David	NDP	Saskatoon Centre
Gantfoer, Rod	SP	Melfort
Hagel, Glenn	NDP	Moose Jaw North
Hamilton, Doreen	NDP	Regina Wascana Plains
Harpauer, Donna	SP	Humboldt
Harper, Ron	NDP	Regina Northeast
Hart, Glen	SP	Last Mountain-Touchwood
Heppner, Ben	SP	Martensville
Hermanson, Elwin	SP	Rosetown-Elrose
Higgins, Hon. Deb	NDP	Moose Jaw Wakamow
Huyghebaert, Yogi	SP	Wood River
Iwanchuk, Andy	NDP	Saskatoon Fairview
Junor, Judy	NDP	Saskatoon Eastview
Kerpan, Allan	SP	Carrot River Valley
Kirsch, Delbert	SP	Batoche
Kowalsky, Hon. P. Myron	NDP	Prince Albert Carlton
Krawetz, Ken	SP	Canora-Pelly
Lautermilch, Eldon	NDP	Prince Albert Northcote
McCall, Warren	NDP	Regina Elphinstone-Centre
McMorris, Don	SP	Indian Head-Milestone
Merriman, Ted	SP	Saskatoon Northwest
Morgan, Don	SP	Saskatoon Southeast
Morin, Sandra	NDP	Regina Walsh Acres
Nilson, Hon. John	NDP	Regina Lakeview
Prebble, Hon. Peter	NDP	Saskatoon Greystone
Quennell, Hon. Frank	NDP	Saskatoon Meewasin
Serby, Hon. Clay	NDP	Yorkton
Sonntag, Hon. Maynard	NDP	Meadow Lake
Stewart, Lyle	SP	Thunder Creek
Taylor, Hon. Len	NDP	The Battlefords
Thomson, Hon. Andrew	NDP	Regina South
Toth, Don	SP	Moosomin
Trew, Kim	NDP	Regina Coronation Park
Van Mulligen, Hon. Harry	NDP	Regina Douglas Park
Wakefield, Milton	SP	Lloydminster
Wall, Brad	SP	Swift Current
Wartman, Hon. Mark	NDP	Regina Qu'Appelle Valley
Weekes, Randy	SP	Biggar
Yates, Kevin	NDP	Regina Dewdney

The Assembly met at 13:30.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**The Speaker:** — I recognize the member for Cypress Hills.

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, over the last year and a half or so, I've presented numerous petitions on behalf of constituents in the Cypress Hills area concerning Crown grazing leases. And even though some attempt has been made to satisfy their concerns, I have many more to present. And if I may do so, I'll do it now.

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, this petition is signed by constituents from the community of Lancer.

I so present.

**The Speaker:** — I recognize the member for Kelvington-Wadena.

**Ms. Draude:** — Thank you, Mr. Speaker. I am very pleased to rise today on behalf of people from the Porcupine area who are really concerned about the longevity of their health facility. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to ensure that the Porcupine Caragana Hospital is not closed or further downsized.

The people that have signed this petition are all from Porcupine Plain.

I so present.

**The Speaker:** — I recognize the member for Rosetown-Elrose.

**Mr. Hermanson:** — Thank you, Mr. Speaker. I have a petition from residents of the Rosetown-Elrose constituency signed by people who are concerned the recent changes to the crop insurance program will result in large premium increases for insured farmers while overall coverage is reduced. Mr. Speaker, the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take all necessary actions to reverse the increase in crop insurance premiums and the reduction in coverage.

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

Mr. Speaker, the signatures on this petition are from the communities of Loreburn, Beechy, and Mildred. And I'm pleased to present this petition on their behalf.

**The Speaker:** — I recognize the member for Weyburn-Big Muddy.

**Ms. Bakken:** — Thank you, Mr. Speaker. I rise today to present a petition on behalf of farmers in the constituency of Weyburn-Big Muddy who are concerned about the changes to crop insurance. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take all necessary actions to reverse the increase in crop insurance premiums and the reduction in coverage.

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

And the petition is signed by residents of Weyburn, Trossachs, Colgate, and Radville.

I so present.

**The Speaker:** — I recognize the member for Wood River.

**Mr. Huyghebaert:** — Thank you, Mr. Speaker. Mr. Speaker, today I rise with a petition from citizens who are extremely concerned about the word in the budget that long-term care facilities are due to be closed in Saskatchewan. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to ensure that Lafleche and district health centre is not closed or further downsized.

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

And, Mr. Speaker, this is signed by citizens from Lafleche, Limerick, Glentworth, and as far away as Edmonton.

I so present.

**The Speaker:** — I recognize the member for Arm River-Watrous.

**Mr. Brkich:** — Thank you, Mr. Speaker. I have a petition here, citizens calling on to repair and resurface Highway 15:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that this portion of Highway 15 be repaired and resurfaced immediately so as to remove the safety hazard to all motorists who rely on this vital road for transportation and economic purposes.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Semans, Cudworth, and Nokomis.

I so present.

**The Speaker:** — I recognize the member for Biggar.

**Mr. Weekes:** — Thank you, Mr. Speaker. I also have a petition from constituents against the closure of Biggar's rural service centre and Environment office. 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 reverse their decision to close the rural service centre and Environment office in Biggar.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens of Biggar and district.

I so present.

**The Speaker:** — I recognize the member for Kindersley.

**Mr. Dearborn:** — Mr. Speaker, I rise today to present a petition on behalf of citizens from west central Saskatchewan concerned with the Unity seniors' lodge project. 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 that citizens of Unity and district remain in the community for this necessary service that will bridge the gap between independent living and long-term care.

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

Mr. Speaker, this particular petition is signed by the good folks of Unity, and as well as Provost, Alberta.

I so present.

#### READING AND RECEIVING PETITIONS

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

A petition concerning the closure of the rural service centre and Environment office in Biggar.

And addendums to previously received petitions being sessional paper nos. 48, 69, 72, 97, and 115.

**Clerk:** — The following petitions for private Bills are hereby read and received:

Of the Bethany Bible Institute in the province of Saskatchewan, praying for an Act to amend its Act of incorporation;

Of the Fountain of Life School of Ministry in the province of Saskatchewan, praying for an Act to provide authority

to grant religious and theology degrees; and

Of the Saskatchewan School Trustees Association in the province, praying for an Act to amend its Act of incorporation.

#### NOTICES OF MOTIONS AND QUESTIONS

**The Speaker:** — I recognize the member for Last Mountain-Touchwood.

**Mr. Hart:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 31 ask the government the following question:

To the Minister of Labour: In 2003 how much did the WCB spend on promotional items designed to promote or otherwise publicize the Workers' Compensation Board?

Mr. Speaker, I have similar questions for 2002 and 2001.

**The Speaker:** — I recognize the member for Kindersley.

**Mr. Dearborn:** — Mr. Speaker, I give notice that I shall on day no. 31 ask the government the following question:

To the Minister of Agriculture: Will farm fuel purchased from a card lock centre under 200 litres still be eligible for the farm fuel rebate program, and if not why not? Are there any exemptions relative to volume purchase available?

I so present.

**The Speaker:** — I recognize the member for Arm River-Watrous.

**Mr. Brkich:** — Thank you, Mr. Speaker. I give notice I shall on day no. 31 ask the government the following question:

To the Minister of Health: Could you provide the number of full and part-time and contract staff in each employment category at the Imperial health centre?

While I'm on my feet I also have a similar question dealing with Davidson, Nokomis, Watrous, and Wynyard.

I so present. Thank you.

#### INTRODUCTION OF GUESTS

**The Speaker:** — I recognize the member for Regina Qu'Appelle.

**Hon. Mr. Wartman:** — Thank you, Mr. Speaker. Mr. Speaker, there are two guests in your gallery that I would like to introduce to you and to the members of this legislature through you. They are members of our pre-eminent masters rowing team — Joe Vanderleest and Alan McIntyre.

And I will say more to them later. Are there three members up there of the team? Just two, aren't there? Oh three, I'm sorry. And I will have to get the third name later; I don't have that

with me, Mr. Speaker. But they . . . I will say more about them later, and I just want to let people know that they brought home a bronze medal to Saskatchewan and are a tremendous group of paddlers. Thank you.

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

**The Speaker:** — I recognize the member for Regina Northeast.

**Mr. Harper:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through you to all members of the House, three people who are very important to me. Seated in your gallery is my wife, Carol. Accompanying her today is her sister, Elizabeth, and her husband and my best friend, Larry Surcon — formerly from Yorkton, most recently new residents of Sturgis, Saskatchewan.

And they've been in town for a few days here on business, and last night they had . . . or yesterday in fact, all day, they had the opportunity of attending the graduation ceremonies for the RCMP (Royal Canadian Mounted Police) troop no. 23. And one of the 34 troopers that graduated was our nephew Rod Rudenski. And Rod is now stationed at Craik, Saskatchewan.

So, Mr. Speaker, I think wise words of wisdom to all of my colleagues — if you're travelling up and down Highway No. 11 and you're speeding, you don't want to do it around Craik because you just might get to meet Rodney also.

So I just had to welcome my guests here, and I ask all the members to offer them a very warm welcome.

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

**The Speaker:** — I recognize the member for Regina Dewdney.

**Mr. Yates:** — Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to all the members of the Assembly, 52 very, very important students from W.F. Ready School in my constituency. They're accompanied today by their teachers, Gloria Pickard, Carol Grant; and two chaperones, Sheila Harlos and Darcy Kunz.

They're very fine students in the new area of my constituency, Mr. Speaker. And I'll have a chance to meet with them a little later on today and hopefully over the summer or over the . . . during the fall — pardon me — visit their school as well. Thank you very much.

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

**The Speaker:** — I recognize the member for Moose Jaw Wakamow.

**Hon. Ms. Higgins:** — Thank you very much, Mr. Speaker. Mr. Speaker, it gives me a great deal of pleasure to introduce to you and through you to members of the Assembly, someone sitting in the west gallery — Greg Eyre, who is a business agent with the United Food and Commercial Workers, the union that I used to belong to and spent a great deal of time on the executive board. And Greg is accompanied by a colleague who is . . . I haven't had the opportunity or the pleasure to meet her yet.

But, Mr. Speaker, I must say United Food and Commercial Workers does a great deal of work to involve young people, have them active not only in their workplace but in their community. It speaks well to the union movement and the people that they seek to involve, to make this a better place for all of us to live.

So, Mr. Speaker, I would ask that all members please welcome our guests in the gallery.

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

**The Speaker:** — I recognize the member for Prince Albert Northcote.

**Mr. Lautermilch:** — Thank you very much. Mr. Speaker, I'd like to introduce to you and through you to all members of the House, two residents of Prince Albert who have been very active in our community for I think even longer than I've lived in Prince Albert — Fred and Olga Routley. Fred is a retired educator. He and Olga have taken very much interest in the well-being of their province and of their community, and they've been active in community life and in politics. And I want to welcome them here to the Legislative Assembly.

I might also add, Fred and Olga chose to live in an area of Prince Albert where the province had a difficult time making up its mind whether they should reside in Prince Albert Carlton or Prince Albert Northcote. So both you, Mr. Speaker, and I have had the privilege of having them as our constituents back and forth over the years. Thank you.

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

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

**Hon. Mr. Serby:** — Leave to make a statement, Mr. Speaker.

**The Speaker:** — The member for Yorkton has requested leave to make a personal statement. Is leave granted?

**Some Hon. Members:** — Agreed.

Leave granted.

**The Speaker:** — I recognize the member for Yorkton.

## STATEMENT BY A MEMBER

### Personal Thanks

**Hon. Mr. Serby:** — Thank you very much, Mr. Speaker, and thank you to the members of the Assembly for giving me a moment to make a personal statement.

I want to say first and foremost, Mr. Speaker, that I am very, very grateful — grateful to have the opportunity to return to the Assembly again and to assume some of my responsibilities.

Mr. Speaker, one never knows what challenges may be before us as we make our way through life, and the past ten weeks my family and I have faced some of the most trying times ever — experiences that you hear about others going through and never

really fully understanding the impact until they personally affect you or your other family members.

We were able to make our way through these very difficult times because of several factors. First, Mr. Speaker, our health care system here in Saskatchewan was able to do some things for me, as they have done for other cancer patients like me, in the fashion that I had no understanding of. And today I am one of thousands who have been served by exceptional men and women in our hospitals and in our cancer clinics.

Today, Mr. Speaker, I want to take a moment to thank all of the health professionals at the Regina General Hospital, the Pasqua Hospital, at the Yorkton regional hospital, and at the Allan Blair cancer clinic. Their expertise and care have given me a future.

Mr. Speaker, today I am working away, responding to hundreds and hundreds and hundreds of people who sent me cards and e-mails and phoned me to wish me well and to offer me a thought of their prayer. I am someone, Mr. Speaker, who believes that my road to recovery was helped through the power of those well wishes and of those prayers. And I am humbled by the number of people who have touched our lives, and I want to thank them very, very much for including us in their prayers.

(13:45)

Mr. Speaker, today I want to thank the members of this Assembly — to my government caucus for your support and your encouragement to me and to my family; and for taking on all of those additional responsibilities and sacrifices which come when a member of your political family can't be there; and for assuming all of those responsibilities absolutely unconditionally. One could not ask for an extended family that could be more caring. And let me have it on the record, Mr. Speaker, that this is not a recommended approach to skip a budget or to lose weight, Mr. Speaker.

My words of thanks to the Leader of the Saskatchewan Party and your caucus — your sincere words of encouragement, support, and personal visits were very welcomed. I know that you fully understand the meaning of a loss of a colleague, also working under adversity when illness is within your own political family. I know that, I know that you have said to me in your card on many occasions that you've written me that I have previous . . . I have some previous debt to settle with some of you, and I would say to you that I will. But remember that there are some that I too will be expecting to collect on.

And thank you to Mr. Karwacki for including me in his thoughts and offering his support in whatever fashion we saw fit.

Mr. Speaker, to the media — I wish to extend our family gratitude for providing us with the room we requested to deal with our matters privately and to respect the time we needed throughout the recovery. And thank you very much for those glowing words of recognition. It's not often that one can read his own obituary when he's still alive. I've kept all of the printed and recorded messages just in case you should have a memory lapse sometimes in the future.

And of course, Mr. Speaker, to my family — there is no greater

bond than the love of your children, your partner, and your parents and your siblings. The fact is that nothing else matters except the hope that we can continue together in life. And today we have the opportunity to do so, and I want to thank them very deeply for standing with me and helping me look forward ahead.

Mr. Speaker, in closing I want to thank my Premier for placing my health before all other priorities; for providing an avenue for me to remain connected without expectation as well as to go forward recognizing that there still must be some flexibility in the days and weeks ahead as my energy battery still requires a bit more charging and monitoring in order to assume the full responsibilities of being an MLA (Member of the Legislative Assembly) and serving in cabinet.

Today, Mr. Speaker, I am very grateful to be back in the Assembly under your watchful guidance in this House and to stand shoulder to shoulder with all of my legislative colleagues.

I received in all of those many notes I got, Mr. Speaker, a few lines that I want to share with you from someone whom I've not met. And they said this:

Sometimes struggles are exactly what we need in our lives. If we were allowed to go through our lives without any obstacles, it would cripple us. When we ask for strength, we are given difficulties to make us strong. And when we ask for wisdom, we get problems to solve. And when we ask for prosperity, we got a brain and brawn to work. And when we ask for courage, we got dangers to overcome. And when I asked for favours, I was given an opportunity and received nothing I wanted. I got everything I needed.

Today, Mr. Speaker, I'm given an opportunity. And with all of you, I've got everything I need. Thank you very much, Mr. Speaker.

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

**The Speaker:** — And why is the member from Swift Current on his feet?

**Mr. Wall:** — With leave, Mr. Speaker, to make a statement of a personal nature.

**The Speaker:** — The Leader of the Opposition has requested leave to make a statement. Is leave granted?

**Some Hon. Members:** — Agreed.

**The Speaker:** — I recognize the member for Swift Current.

**Mr. Wall:** — Thank you, Mr. Speaker. On behalf of the members on this side of the House, we want to say very, very clearly, welcome back, Clay.

Mr. Speaker, many members on this side of the House have communicated to Clay or to the Deputy Premier our warmest wishes and the fact that he was certainly in our prayers. I had the chance to do that. And I indicated, though, Mr. Speaker, quite clearly that he would be having a number of weeks where he would no doubt be going through some challenges, but he'd

also have some downtime and that we fully expected him to utilize that downtime to come up with some pretty good one-liners for this place. And so now we're going to be able to . . . we welcome the opportunity to put that to the test.

We in this caucus have been through some situations, some challenges, some dark times in the last number of years, and we're just grateful that the member for Yorkton is back here. And we want to wish him continued success and continued good health and recovery, and look forward to the opportunity to debate and discuss and visit with him here in the Legislative Assembly and elsewhere. Thank you, Mr. Speaker.

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

#### STATEMENTS BY MEMBERS

**The Speaker:** — I recognize the member for Regina Qu'Appelle Valley.

##### Bronze Medal at Dragon Boat World Championship

**Hon. Mr. Wartman:** — Mr. Speaker, more than 2,000 years ago a team sport known as dragon boat racing originated in China. Today this sport has become a popular summer tradition in Saskatchewan, drawing large crowds in both Saskatoon and Regina. One Regina dragon boat team, nicknamed Pond Scum, recently captured a bronze medal at the International Dragon Boat Federation's annual world championship in Cape Town, South Africa.

Mr. Speaker, Pond Scum is also known as the Wascana Canoe Club . . . placed third in the grand final of the senior, open, 200-metre event. The senior category is for participants 40 years and over and featured crews from Italy, Switzerland, and Germany. Pond Scum also made the grand final in the senior mixed 200- and 420-metre events, placing fifth overall in each category.

Mr. Speaker, the 2004 world championship was divided into premier, senior, and breast cancer survivor divisions and featured 45 clubs, including 1,700 professional and amateur paddlers from 13 different countries. Not only did the Regina crew participate at the world championship, but it also volunteered with the organizing committee of the festival — arranging practice times for teams, putting together materials for team packages, helping with registration, and assisting with dismantling of the boats.

Mr. Speaker, the team captains of Pond Scum are Mary Anderson and Al McIntyre from Regina. Congratulations to them and their crew members on their accomplishments. And, Mr. Speaker, the third member who is with us in the gallery is Brian Kiers.

And so we welcome all of them, and we wish them all the best of luck in future competitions and thank them for representing Saskatchewan so adequately in South Africa.

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

**The Speaker:** — I recognize the member for Batoche.

##### Fire Hall in Rural Municipality of Three Lakes

**Mr. Kirsch:** — Thank you, Mr. Speaker. Today I rise to announce the grand opening of the new RM (rural municipality) of Three Lakes fire hall. This is quite an accomplishment considering the biggest town in the RM is Middle Lake, population 300. The fire hall is a large, and I mean large for Middle Lake standard, with two truck bays. It has been in the works for a number of years, and Saturday marked its completion.

Mr. Speaker, when communities are dealing with decrease in population and the tough economic times, this is a bold step by the people of Middle Lake, Pilger, St. Benedict, Bethany Pioneer Village, Lucien Lake Regional Park, and the RM of Three Lakes.

The people of these communities have decided that if they intend to grow their population and protect their families, they must have adequate fire protection. Mr. Speaker, I would ask all members to give a resounding good luck and best wishes to the RM of Three Lakes and their fire department.

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

**The Speaker:** — I recognize the member for Regina Coronation Park.

##### Child Care Saskatchewan Spaces Increased by 200

**Mr. Trew:** — Thank you, Mr. Speaker, this government has made a commitment to support children and young families. And as part of that commitment through Child Care Saskatchewan we are boosting the number of child care spaces available in Saskatchewan by 200.

Child Care Saskatchewan is the largest child care expansion in our province's history. By March 2005, it will bring the total number of licensed child care spaces to more than 8,000. Mr. Speaker, our vision is for all Saskatchewan parents who work or go to school to have access to high-quality, early learning and care services for their children.

You know, 30 of the new spaces announced yesterday are opening in Argyle Child Care Centre in the constituency of Regina Coronation Park. A young parent said so much of that announcement yesterday, when he spoke about how the availability of quality daycare allowed both him and his wife to continue with their educations even as they raised a family. This is exactly what this vision is all about.

Mr. Speaker, this year's budget includes \$600,000 to develop this phase of Child Care Saskatchewan. Over the next two years, we will be developing over 500 more spaces. This investment in Saskatchewan children and families is a clear indication of the focus and priorities of this government.

Mr. Speaker, Saskatchewan children truly are our most precious resource.

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

**The Speaker:** — I recognize the member for Moosomin.

### Volunteer Recognition Awards Banquet

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, the Southeast Saskatchewan Association for Culture, Recreation and Sport held its volunteer recognition awards banquet in Weyburn this past Sunday. Mr. Speaker, the volunteer recognition awards program has been going on for nearly 20 years, recognizing the contributions of volunteers and participants in the nine different categories across Zone 1.

And I'd like to list a few, especially those that have come from the Moosomin constituency. In heritage, Alvin Cunningham of Kipling was recognized; in culture, Dianne McLeod of Langbank; recreation, Joanne O'Sullivan of Kipling; coach, Barb Swallow of Maryfield; athlete, Janelle Lemon of Maryfield, who was on Canada's junior women's curling championship team, world curling championship team last year. And official, Colin Williamson of Rocanville. And, Mr. Speaker, this recognition is very special for Colin Williamson as last fall, due to a medical problem, Colin had to hang up his skates as he was unable to in fact for a while, Mr. Speaker, speak or walk. Today through rehabilitation he has certainly come a long ways.

Mr. Speaker, I want to commend the Southeast Saskatchewan Association for Culture, Recreation and Sport for the great effort they go to in recognizing the efforts of volunteers across our area and certainly throughout the province of Saskatchewan. It's a job well done, and congratulations.

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

**The Speaker:** — I recognize the member for Regina Wascana Plains.

### Clayton Gerein Wins Gold

**Ms. Hamilton:** — Mr. Speaker, I'm pleased to announce today that a resident who lives in Regina Wascana Plains recently captured the gold medal in the men's quadriplegic wheelchair race at the Boston Marathon.

Clayton Gerein of Pilot Butte finished with a time of 1 hour, 55 minutes, and 14 seconds. This outstanding performance earned him a spot on the Canadian team for this summer's Paralympic Games in Athens, Greece, and is all the more impressive because it was accomplished in temperatures approaching 30 degrees Celsius.

Mr. Speaker, Mr. Gerein's record of athletic achievements is impressive. He holds several gold medals from the Paralympic Games, two silver medals from the IPC (International Paralympic Committee) World Championships, and has set Canadian and world records in the 1,500-, 5,000-, and 10,000-metre races. In 2003 he placed first in two events at the Can-Am Games, and he is an 11-time winner of the Peach Tree Road Race in Atlanta, Georgia.

Mr. Gerein believes in pushing himself to the limit. Not only is he an outstanding athlete, but he's also actively involved in his community as a volunteer for several athletic organizations that assist people living with disabilities. Pilot Butte is very proud and boasts a sign going into their town saying, home of Clayton

Gerein. And often I've seen him wheeling along the roadway keeping in shape.

Mr. Speaker, I'm sure all my colleagues will join me in congratulating Clayton Gerein on his accomplishments and acknowledge his commitment and dedication to his sport. We wish him good luck in this summer's Paralympic Games in Athens and in future competitions.

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

**The Speaker:** — I recognize the member for Martensville.

### Fire Hall Opening in Warman

**Mr. Heppner:** — Thank you, Mr. Speaker. Mr. Speaker, last Saturday I had the privilege of attending a fire hall opening in the community of Warman. That fire hall has been in the planning, I believe, for 10 years. And they've put some excellent plans together. They have fund raised and I think the cost to the facility was between 7 and \$800,000.

(14:00)

The other interesting thing about the fire hall and the system that they have is that they work very closely together with the ambulance service as well, as far as handing out the calls and those sorts of things.

So it was an exciting, an exciting time for the community of Warman. They've got a beautiful tower in there. They have training rooms. And it's probably one of the more modern facilities for a community of that size.

The other thing that made that necessary in the community of Warman was that it's a very fast-growing community. I think it's the fastest growing community in that category in the province. This year, for example, they've already sold 80 lots, residential lots, for building this year. And that's marvellous growth.

And, Mr. Speaker, it speaks very well of what you can do in an area and a community that's never been tainted by an NDP (New Democratic Party) representative.

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

**The Speaker:** — I recognize the member for Saskatoon Fairview.

### SaskPower Poster Contest

**Mr. Iwanchuk:** — Mr. Speaker, SaskPower is increasing awareness about the impact of climate change among our young people.

Recently SaskPower announced the winners of its third annual Energy & Our Environment Poster Contest. This year's winners are Read Smith from Drake Elementary School, Megan Hrytzak from Kelvington High School, Amanda Clark from Dr. Isman Elementary School in Wolseley, and Robyn Fortier from Hardcastle School in Edam.



Mr. Speaker, more than 500 poster entries were received from grade 5 and 6 students, from more than 40 schools across the province. Our young people think environmental issues are important, Mr. Speaker, and the number of students who chose to participate in this contest demonstrates that.

Mr. Speaker, the ingenuity captured in these posters shows all of us can learn from our young people when it comes to addressing climate change. This is an important initiative, Mr. Speaker, one that provides an opportunity for young people to really think about their impact on the environment.

I ask all members to join me in congratulating the four winners — Read, Megan, Amanda, and Robyn — for their award-winning posters. Thank you.

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

### ORAL QUESTIONS

**The Speaker:** — I recognize the member for Saskatoon Southeast.

#### Comments by Minister of Justice

**Mr. Morgan:** — Mr. Speaker, my question is for the Premier. Mr. Speaker, the Minister of Justice has now injected himself right into the middle of a criminal trial.

Mr. Speaker, the Minister of Justice is, through the director of public prosecutions, supposed to provide unbiased and an impartial management of our criminal justice system. How can he do that when we takes it upon himself to comment and debate upon trials in the newspaper?

Mr. Speaker, what actions is the Premier going to take in this matter? Will the Premier fire his Minister of Justice?

**The Speaker:** — I recognize the Minister of Justice.

**Hon. Mr. Quennell:** — Mr. Speaker, in March of this year the member from Saskatoon Southeast rose in this Chamber and demanded that I interfere with an independent body, the Legal Aid Commission of Saskatchewan, demanded that I do so, and outside this House said, well yes, I realize it's independent but I think he should interfere anyways.

Now he's requiring or demanding that the Attorney General resign because he had the temerity to criticize a newspaper article.

I don't think I would advise, you know, with all due respect, the Premier of the province of Saskatchewan to take advice on the conduct of an Attorney General from the member from Saskatoon Southeast.

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

**The Speaker:** — I recognize the member for Saskatoon Southeast.

**Mr. Morgan:** — Mr. Speaker, the Premier and the Minister of Justice have an obligation to ensure that every department,

agency, and every Crown prosecutor acts within the confines of the law.

We commented publicly and asked them to ensure that the Saskatchewan Legal Aid Commission acted within the confines of the law and followed the provisions of The Labour Standards Act.

Now in this situation, the Minister of Justice is commenting on the credibility of witnesses, and he's commenting on the level of co-operation police received from witnesses, and he's discussing the actions of the police during the investigation. These, Mr. Speaker, are all part of an ongoing criminal investigation and criminal trial.

Mr. Speaker, the Minister of Justice has turned this criminal trial into a soap opera. The Minister of Justice should not be saying anything about a case that is before the courts.

Mr. Speaker, my question to the Premier: how can the people in this province expect to receive a fair trial? How can we expect to maintain integrity and confidence in our justice system? Will the Minister of Justice step down? Will the Premier call for his resignation and direct the minister not to meddle in cases that are before the courts?

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

**The Speaker:** — I recognize the Minister of Justice.

**Hon. Mr. Quennell:** — Mr. Speaker, the member should read the letter carefully. There is no comment on the credibility of witnesses in the letter.

In February, around February 12 of this year, the member from Saskatoon Southeast requested, required, demanded that the Attorney General deprive parties in an action to their right to appeal, suggested that other parties be deprived of the right of the balance of their trial, that parties in another trial be deprived of their right to trial, and that all the matters of damages — even where liability hadn't been determined yet, Mr. Speaker — go before some tribunal, appointed by the Attorney General, I suppose.

And now the member rises and criticizes the Department of Justice because of a letter criticizing an article, not commenting on the case. And again I do not think we wish to take the advice of the member from Saskatoon Southeast on the conduct of an Attorney General.

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

**The Speaker:** — I recognize the member for Saskatoon Southeast.

**Mr. Morgan:** — Mr. Speaker, the Minister of Justice has practised law in this province for over 20 years. He is well aware of the differences between civil and criminal matters. He is well aware of the potential liability on the civil matters that we were commenting on before.

The advice that we gave the minister still stands. We recommend to the minister in those cases that he look strongly

at settling those actions before they cost the province many millions of more dollars, Mr. Speaker. And, Mr. Speaker, we stand by that advice, and the Minister of Justice would be well advised to listen to it and to heed that advice.

Mr. Speaker, this is a government that routinely cites the *sub judice* convention when it suits its purpose — but in this case the Minister of Justice has blithely chosen to completely ignore it. Let me remind the Premier what the Premier said on December 11 right in the middle of the SPUDCO (Saskatchewan Potato Utility Development Company) disaster:

... I will have no member of this government trying to influence the prosecutions branch or interfering in the due process of law.

Yet that's exactly what this Minister of Justice, what this minister has done. Mr. Speaker, the Premier's decided to look at it another way and what he ...

**The Speaker:** — Will the member go directly to the question, please.

**Mr. Morgan:** — Mr. Speaker, what is the Premier going to do to restore public confidence in the integrity of the judicial system of this province, and what will the Premier do about a Minister of Justice that continues to comment on cases that are before the courts?

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

**The Speaker:** — I recognize the Minister of Justice.

**Hon. Mr. Quennell:** — Mr. Speaker, for those that are inclined to be confused, the comments I made earlier about the Legal Aid Commission and other cases that are presently before the court were not for the purpose of commenting on those cases, but for the purpose of pointing out some of the bizarre reasoning coming in from across the way. And just to make that clear.

The member from Saskatoon Southeast has also practised law for a good period of time, and he will appreciate that his obligations go outside the courtroom and follow him into this House. And he has a duty to the public to inform them as to the law, and not to mislead them as to the law. And I would direct the member from Saskatoon Southeast as to his duties as well, Mr. Speaker.

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

**The Speaker:** — I recognize the member for Saskatoon Southeast.

**Mr. Morgan:** — Mr. Speaker, the Minister of Justice says he had to step in to correct inaccuracies in the original *StarPhoenix* article. He comments on people's duties before the public. However in today's paper defence lawyer Robert Borden says there are no inaccuracies in *The StarPhoenix* article but yet you have the Minister of Justice arguing the facts of the case.

I'm not sure, Mr. Speaker, whether he wants to be the judge or the prosecutor. But one thing is certain, Mr. Speaker, he should

not be the prosecutor in this case. If he wants to be the Minister of Justice he should act like a Minister of Justice. Will the Premier fire the Minister of Justice?

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

**The Speaker:** — I recognize the Minister of Justice.

**Hon. Mr. Quennell:** — Mr. Speaker, I don't know if defence counsel invited me to comment on the case or not, in the article today, but I decline to do so.

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

**The Speaker:** — I recognize the member for Weyburn-Big Muddy.

### Future of Valley View Centre

**Ms. Bakken:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Community Resources and Employment. Saskatchewan Party MLAs in constituencies across Saskatchewan have received numerous letters from families concerned about the future of Valley View Centre in Moose Jaw.

Family members who have relatives living at Valley View are concerned that the NDP is planning to close Valley View. One mother from New Brunswick writes, and I quote:

I feel to move him and close down the centre would be a big mistake ... (and that the government needs to reconsider closing Valley View.)

To the minister: what are the NDP plans for Valley View and is closure being considered?

**The Speaker:** — I recognize the Minister for Community Resources and Employment.

**Hon. Ms. Crofford:** — Thank you very much, Mr. Speaker, and certainly I'm happy to respond to this. Since 1972 we've had a plan in this province for the inclusion of people with disabilities in the community. And when Valley View was first built there was over 1,000 people there. There's now 300 and what that reflects is that over time more people have chosen the community option.

Now that being said, there is no plan to close Valley View but we have had an ever declining number of families who are making that choice. And certainly the organizations that work with families are wanting to support community inclusion. So I would say that there is no such plan and if there were such a plan we would certainly be very upfront about discussing it with people.

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

**The Speaker:** — I recognize the member for Weyburn-Big Muddy.

**Ms. Bakken:** — Thank you, Mr. Speaker. Mr. Speaker, Valley View is home to people with families across Saskatchewan and

other parts, and all across Canada. Some residents of Valley View have been successfully moved into the community but some residents require the type of special care that, as of today, is only provided at Valley View. As one family member expressed it, when they attempted to move their loved one into the community it was two years of hell.

Mr. Speaker, if closure of this facility is not planned for now or in the future, can the minister assure the House today that a sufficient number of beds will be maintained at Valley View to meet the needs of those who cannot live in the community?

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

**The Speaker:** — I recognize the Minister of Community Resources and Employment.

**Hon. Ms. Crofford:** — Again, Mr. Speaker, I just reiterate that there is no plan for any change in the very slow process that's been taking place since 1972.

I would say that if there ever was a decision that, because the numbers were becoming so small that you had to make some decision that it just is completely not effective to run a large facility with such a small number of residents, certainly no steps would be taken in that regard unless there was extensive work with the families, with the individuals, with the staff, with the community, to see whether in fact a reasonable and sensitive and caring plan was possible for those individuals.

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

**The Speaker:** — I recognize the member for Weyburn-Big Muddy.

**Ms. Bakken:** — Thank you, Mr. Speaker. Mr. Speaker, the minister refuses to clearly answer the question. The question is: is Valley View going to be maintained, open; how many beds are going to be maintained in Valley View; are the people that require this specialized care going to be able to stay in Valley View?

And if not, Mr. Speaker, where are their loved ones to go? Where are these families supposed to be ensured that their family members will have a place to go and how are they going to be ensured that adequate care will be provided to them?

**The Speaker:** — I recognize the Minister of Community Resources and Employment.

**Hon. Ms. Crofford:** — Well I think, Mr. Speaker, that my responses have been quite specific and if the member opposite is suffering from an inability to hear them, that is not my particular problem.

I will say that I do have commitments to meet with families who are concerned about this. And certainly, I would never advocate to move someone who there wasn't a sufficient response to their care needs.

So again, if my personal assurance can be taken that there is no such plan and that if there was ever a decision that the population there had gotten so small that you could no longer

deliver to them in the manner we are today, we would move into very individualized planning with each family.

But no such decision has been taken to this point.

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

**The Speaker:** — I recognize the member for Cypress Hills.

### Utility Rates

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, all of the major Crowns have now released their annual reports. But what we haven't seen to date is any sort of a plan telling us how the Crowns are going to achieve the Premier's campaign promise of the lowest utility rates in Canada.

Mr. Speaker, this is another of the Premier's campaign promises that are as empty as that field out there by Belle Plaine. And, Mr. Speaker, none of the Crown heads seem to be paying much attention whatsoever to the Premier's utility rate promise. In fact most of them seem to be ignoring it altogether. Mr. Speaker, is this just another empty campaign promise that the Premier has no intention of keeping?

(14:15)

**The Speaker:** — I recognize the minister responsible for the Crown Management Board.

**Hon. Ms. Atkinson:** — Thank you very much, Mr. Speaker. In response to the member's question, I want to assure the people of this province that the way that the Government of Saskatchewan, the New Democratic Party government, is going to meet its promise is to make sure that those four major Crowns — SaskTel, SaskPower, SaskEnergy, and SGI (Saskatchewan Government Insurance) Auto Fund — remain in public hands.

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

**Hon. Ms. Atkinson:** — Mr. Speaker, we have seen a dramatic turnaround in the Crown sector since 1991. So dramatic, Mr. Speaker, that since 1991 when the New Democratic Party of Saskatchewan was elected, we've been able to reduce Crown debt racked up by the old Conservative Party, their forerunners, by some \$2 billion, Mr. Speaker. And we've had dividends of \$1.8 billion returned to the people of Saskatchewan. I'd say that's an outstanding record, Mr. Speaker.

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

**The Speaker:** — I recognize the member for Cypress Hills.

**Mr. Elhard:** — Mr. Speaker, the record of the NDP government is that they are demanding dividends to the General Revenue Fund based on artificial profits this year — profits which will never be there again, which will never be there any time in the future unless the Canadian dollar far surpasses the value of the American dollar. Exchange rates are a pretty faulty premise on which to base profitability.

Mr. Speaker, by the NDP's own admission, we don't have the

lowest utility rates in the country right now. None of the Crowns are planning on lowering their rates, and SaskPower actually says that it might increase its rates before the end of this year. So the overall cost to consumers is only going to get higher.

Mr. Speaker, the Premier promised to cut taxes. He raised taxes. The Premier promised an ethanol plant at Belle Plaine. There's no ethanol plant at Belle Plaine, Mr. Speaker. The Premier promised to look after seniors, and now he's closing long-term care homes and booting them out of their beds. This is just one more empty promise by a Premier who has failed to keep his word.

Will the Premier admit today that he has no intention of keeping his utility rate promise and will break this one just as he has broken all of the others?

**The Speaker:** — I recognize the minister responsible for the Crown Management Board.

**Hon. Ms. Atkinson:** — You know, Mr. Speaker, what I can say to the people of Saskatchewan is, this is the kind of spin that the Saskatchewan Party has tried to peddle for the last . . . well since 1997 I think, when they became a political party.

Mr. Speaker, in the last provincial election, what did the Leader of the Opposition say — the former leader of the opposition, the member from Rosetown — what did he say? He said on September 4, surrounded by all of his candidates, that the Saskatchewan Party vowed to undercut the NDP. And what did they vow to undercut? They vowed that they would even go lower in terms of the Premier's commitment to have the lowest utility rates in all of Canada.

Well I can say to the members opposite, you know, you may not have liked the result of the last election — we won, you lost.

You may not have liked the campaign where we elevated the issue of Crown corporations in this province. The people of Saskatchewan want their Crowns in public hands. They want head office jobs and jobs in this province. They want dividends and they want us to continue to invest in infrastructure so that our Crowns are healthy and prosperous.

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

**The Speaker:** — I recognize the member for Cypress Hills.

**Mr. Elhard:** — Mr. Speaker, the NDP, under the current Premier, not only said that we had the lowest rates in the country, but that we would have forever and a day. The promise was clear. The express intention was clear. We had and we will have. Neither one of those promises or statements were true. Neither one of them were and they probably won't be in the future.

Mr. Speaker, the NDP have no intention of keeping this promise. In fact, the minister has admitted that she didn't even understand the promise.

First she said she didn't know what the plan was when she was

out campaigning last year and then she said Saskatchewan has the lowest utility rates at that time. And later, she admitted that Saskatchewan doesn't have the lowest utility rates right now. And next, she said she would take rebates in other provinces into account. And then finally, she said she wouldn't take rebates into account.

Well, Mr. Speaker, that was what she said until today. Mr. Speaker, it's always harder to keep your story straight when you're not really telling the truth.

Mr. Speaker, will the Premier tell us the truth? Will the Premier admit that this is just another empty promise he has no intention of keeping?

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

**The Speaker:** — I recognize the minister responsible for the Crown Management Board.

**Hon. Ms. Atkinson:** — Earlier this morning that member said that the government should just give up on this commitment. Now if we did that, Mr. Speaker, there would be roaring and yelling from the opposition. That's what would happen, Mr. Speaker.

Well I want to assure the public of this. This is all spin. This is what they're trying to do. They've been trying to spin it since November 5 that the Government of Saskatchewan isn't going to keep its election promises. They have been doing everything they can to discredit the Premier of Saskatchewan and the NDP.

Well, Mr. Speaker, I want to make this commitment to the people of Saskatchewan. Crown corporations will remain in public hands. Crowns will be able to provide dividends to the people of the province. They will continue to have good business practices. They will continue to invest in infrastructure; they will not equity strip, Mr. Speaker. And we will have the lowest utility rates in the country for 2004, Mr. Speaker.

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

**The Speaker:** — I recognize the member from Melville-Saltcoats.

### Funding for Farm Wells

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, my question's for the Minister of Agriculture. Mr. Speaker, farm families in Saskatchewan are facing what many experts forecast to be another year of drought, and many farm families are struggling to secure reliable water supplies for livestock and home use.

Unfortunately though, the NDP government has not yet signed a new agreement with the PFRA (Prairie Farm Rehabilitation Administration), and therefore farm families have not been able to apply or receive funding for digging new wells.

Mr. Speaker, how much longer is the NDP going to wait before they sign an agreement with the PFRA and cost sharing the drilling of new water wells? How much longer will farm

families have to wait to secure reliable supplies of water?

**The Speaker:** — I recognize the Minister of the Environment.

**Hon. Mr. Forbes:** — Mr. Speaker, I appreciate the question. And I'll take notice of the question, and I'll get back to the member opposite on that. Thank you.

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

**The Speaker:** — I recognize the member for Melville-Saltcoats.

**Mr. Bjornerud:** — I'm going to ask this one to the Minister of Agriculture and see if he has a clue what we're talking about.

Mr. Speaker, the deadline for applications for the PFRA — and I'll go slow, Mr. Speaker — funding for new water wells was April 1, April 1, Mr. Speaker, four weeks ago. But Saskatchewan farm families have not been able to apply at all because this government has not put money into the program. And farmers can't even start drilling new wells until their funding application — get this — is pre-approved. Mr. Speaker, so they're stuck once again in rural Saskatchewan waiting for this government to do something about it.

Mr. Speaker, what's the delay? When will the government put their money where their mouth is and help out Saskatchewan farm families?

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

**The Speaker:** — I recognize the Minister of the Environment.

**Hon. Mr. Forbes:** — Yes, Mr. Speaker, as I said, I'll take notice of that question, and I'll get back to the member opposite as soon as I get the details on there. Thank you.

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

**The Speaker:** — I recognize the minister for Melville-Saltcoats.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, this time I'm going to go to the Premier. Somebody over there has to have a clue.

Mr. Speaker, it was only two years ago we were asking the government to put more money in, and the past Agriculture minister went to Ottawa and asked them to put more money in, in through the PFRA programs for farmers. What happened to that? Now all of a sudden nobody knows what we're talking about.

Mr. Speaker, we went through the budget a short time ago and we saw all the cuts to rural Saskatchewan. The list goes on and on and on. How many more of these programs is there no funding in place for, that farm families — farmers, ranchers out there — are counting on?

Mr. Speaker, will the Premier or someone on that side address this problem? Farmers are out there. They're running out of water in many cases. We have the potential for a drought in this

province. And nobody on that side has a clue what we're talking about.

How do farmers expect to receive any assistance when nobody on that side of the House seems to care?

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

**The Speaker:** — I recognize the Minister of Agriculture and Food.

**Hon. Mr. Wartman:** — Thank you, Mr. Speaker. Mr. Speaker, we will be getting back to the members opposite with . . . (inaudible) . . . or with information on the status of that issue with the PFRA.

And I do need to point out that in terms of flowing through funding to the farmers and producers out there, that Saskatchewan is in the lead in terms of signing up on the BSE (bovine spongiform encephalopathy) programs to get funding out there. We want money out to those producers as quickly as it can. Because we've signed on, those federal dollars will flow; producers will be helped.

And as soon as we, as soon as we get the status on the information from signing up with PFRA, that will go to the members opposite. Thank you, Mr. Speaker.

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

**The Speaker:** — I recognize the member for Melville-Saltcoats.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Well, Mr. Speaker, this time I'm going to try the minister in charge of Sask Water. I don't know how many are over there, but we'll go through them all till we seem to get an answer, Mr. Speaker.

Mr. Speaker, my constituency runs right up the Manitoba border. On that side, on the Manitoba side, the program's in place. Farmers were pre-approved because April 1 was the deadline.

PFRA in Saskatchewan can't honour any of these applications because that government evidently forgot about the program or maybe, Mr. Speaker, it was just another cut when the budget come out to save this government money and renege on commitments that we've had in the past years.

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

**Mr. Bjornerud:** — Mr. Speaker, well drilling and wells and water and dugouts are a necessity in rural Saskatchewan. They're a necessity everywhere. Farmers need that assistance.

The federal government, who this government loves to blame — they like to point the finger at the federal government — they've got their money in place. They're ready to help Saskatchewan farmers. Once again, as we've saw the Minister of Agriculture do in the past, ask for a number of things — when the federal government comes through with them, then we change our mind. We don't like them now; we're not going to fund it.

So, Mr. Speaker, will someone on that side of the House — don't tell me, don't tell the Sask Party — tell the farmers of Saskatchewan that they actually haven't downloaded more onto them from that budget and forgot all about rural Saskatchewan.

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

**The Speaker:** — I recognize the minister for Agriculture and Food.

**Hon. Mr. Wartman:** — As both the minister responsible for Sask Water and myself have said, we will give to the members opposite just as quickly as possible the details on the status of that agreement.

Mr. Speaker, there was also a reference to the issue of signing on with CAIS (Canadian Agricultural Income Stabilization). I have made abundantly clear to the members opposite, though they may not understand, what the issues are in terms of signing on to the amendments. We want to make sure, Mr. Speaker, that we get the best possible deal we can get for our producers in this province. The 60/40 splits that we get with the federal government are sucking this province dry.

We have a huge agriculture sector, a relatively small population; 60/40 kills this province, Mr. Speaker. They should know that, whether they do or they don't, Mr. Speaker. That's the reality. And we are working for the best deal that we can get. The CAIS program with the amendments is good. We support that. But we want to make sure we get funding from the federal government that is adequate, Mr. Speaker.

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

## ORDERS OF THE DAY

## WRITTEN QUESTIONS

**The Speaker:** — Order, please, members. Order. I recognize the member for Regina Dewdney, the Government Whip.

**Mr. Yates:** — Thank you very much, Mr. Speaker. I am extremely pleased today to stand on behalf of the government and table responses to written questions no. 234 and 235.

**The Speaker:** — Responses to questions 234 and 235 have been submitted.

## GOVERNMENT MOTIONS

### Referral of Estimates to Committees

**The Speaker:** — I recognize the Minister of Finance.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I move:

That the following estimates and supplementary estimates being:

vote 74, Information Technology Office;  
vote 33, Public Service Commission;  
vote 53, Saskatchewan Property Management Corporation

be withdrawn from the Committee of Finance and referred to the Standing Committee on Crown and Central Agencies.

And I move, seconded by the member from Saskatoon Nutana.

(14:30)

**The Speaker:** — It has been moved by the member for Regina Douglas Park and seconded by the member for Saskatoon Nutana:

That the following estimates and supplementary estimates, being:

vote 74, Information Technology Office;  
vote 33, Public Service Commission;  
vote 53, Saskatchewan Property Management Corporation

be withdrawn from the Committee of Finance and referred to the Standing Committee on Crown and Central Agencies.

Is the Assembly ready for the question? Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion's carried.

Motion agreed to.

**Deputy Clerk:** — Government motions, item no. 2, Hon. Mr. Van Mulligen.

**The Speaker:** — I recognize the Government House Leader.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I move:

That the following estimates and supplementary estimates, being:

vote 70, Centenary Fund;  
vote 12, 18, 175, 176, and 177, Finance;  
vote 23, 171, Industry and Resources;  
vote 20, Labour;  
vote 35, Saskatchewan Research Council;  
vote 71, Fiscal Stabilization Fund;  
vote 147, Agricultural Credit Corporation of Saskatchewan;  
vote 140, Saskatchewan Water Corporation;  
vote 164, Saskatchewan Watershed Authority;  
vote 165, Crown Investment Corporation of Saskatchewan;  
vote 159, Information Services Corporation of Saskatchewan;  
vote 154, Saskatchewan Opportunities Corporation;  
vote 152, Saskatchewan Power Corporation;  
vote 153, Saskatchewan Telecommunications Holding Corporation;  
vote 150, SaskEnergy Incorporated

be withdrawn from the Committee of Finance and referred to the Standing Committee on the Economy.

I move, seconded by the member for Saskatoon Nutana.

**The Speaker:** — On the motion moved by the member for Regina Douglas Park, seconded by the member for Saskatoon Nutana, will members take it as read?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion's carried.

Motion agreed to.

**Deputy Clerk:** — Government motions, item no. 3, Hon. Mr. Van Mulligen.

**The Speaker:** — I recognize the Government Whip.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I move:

That the following estimates and supplementary estimates, being:

vote 34, Chief Electoral Officer;  
vote 57, Conflict of Interest Commissioner;  
vote 55, Information and Privacy Commissioner;  
vote 21, Legislative Assembly;  
vote 56, Ombudsman and Children's Advocate;  
vote 28, Provincial Auditor

be withdrawn from the Committee of Finance and referred to the Standing Committee on House Services.

I move, seconded by the member from Saskatoon Nutana.

**The Speaker:** — With respect to the motion moved by the member for Regina Douglas Park, seconded by the member from Saskatoon Nutana, will the members take it as read?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

Motion agreed to.

**Deputy Clerk:** — Government motions, item 4, Hon. Mr. Van Mulligen.

**The Speaker:** — I recognize the Government House Leader.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I move:

That the following estimates and supplementary estimates, being:

vote 36, Community Resources and Employment  
vote 73, Corrections and Public Safety  
vote 27, Culture, Youth and Recreation  
vote 3, Justice  
vote 170, Education Infrastructure Financing Corporation

be withdrawn from the Committee of Finance and referred to the Standing Committee on Human Services.

I move, seconded by the member for Saskatoon Nutana.

**The Speaker:** — Once again on the motion moved by the member for Regina Douglas Park, seconded by the member for Nutana, will members take it as read?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

Motion agreed to.

**Deputy Clerk:** — Government motions, item no. 5, Hon. Mr. Van Mulligen.

**The Speaker:** — I recognize the Government House Leader.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I move:

That the following estimates and supplementary estimates, being:

vote 30, Government Relations and Aboriginal Affairs  
vote 16, 17, 145, Highways and Transportation  
vote 75, 163, Northern Affairs  
vote 151, Municipal Financing Corporation of Saskatchewan

be withdrawn from the Committee of Finance and referred to the Standing Committee on Intergovernmental Affairs and Infrastructure.

I move, seconded by the member for Saskatoon Nutana.

**The Speaker:** — With respect to the motion moved by the member for Regina Douglas Park, seconded by the member for Saskatoon Nutana, will the members take the question as read?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

Motion agreed to.

### GOVERNMENT ORDERS

**Deputy Clerk:** — Committee of Finance.

**The Speaker:** — I do now leave the Chair for the Assembly to go into Committee of Finance.

### COMMITTEE OF FINANCE

#### Motions for Interim Supply

**The Chair:** — Order. Committee of Finance. The first item before the committee is interim supply and I invite the Minister of Finance to introduce his officials.

**Hon. Mr. Van Mulligen:** — Thank you, Mr. Chair. Seated beside me is Ron Styles, the deputy minister of Finance. Seated on his left is David Pratt, the senior analyst in taxation and intergovernmental affairs. Seated beside me on my right is Terry Paton, the Provincial Comptroller, and seated beside him in Dennis Polowyk, the assistant deputy minister for treasury and debt management. Immediately behind me is Joanne Brockman, the executive director of economic and fiscal policy, and seated beside her is Glen Veikle, the assistant deputy minister for the treasury board branch.

Mr. Chairman, if I just might make a few brief opening comments. Interim supply, which we are considering today, provides the opportunity for the government to receive approval for certain monies to enable the important work of government departments and agencies to proceed even though the budget for the new fiscal year has not been officially approved by the Legislative Assembly.

With this interim supply Bill, we are seeking approval for an appropriation equal to two-twelfths of the budgeted amount for all departments except for the Department of Learning. The supply Bill seeks approval for two-tenths of the operating grant funding for K to 12 (kindergarten to Grade 12) schools. This recognizes that school boards generally operate on a 10-month basis.

With the level of funding requested in the interim supply Bill, departments and agencies will be able to cover their expenses for the months of May and June. In the event that the budget is not passed by the end of June, we will seek approval for additional funds to ensure the work of government can continue pending the adoption of the budget by the Legislative Assembly.

Thank you. Mr. Chair.

**The Chair:** — I recognize the member for Canora-Pelly.

**Mr. Krawetz:** — Thank you very much, Mr. Chairman. And to your officials, Mr. Minister, welcome this afternoon. It is my understanding that we have about an hour or an hour and 10 minutes. And I'd like to begin with two or three issues that many people have questioned me about and I'd like to get a

better understanding of some of those things. And then a number of my colleagues would like to ask some specific questions to the granting of the interim supply for the specific critic areas that they represent.

So, Mr. Minister, I'd like to begin by having you and your officials clarify for me. You've indicated and the Premier has indicated that the focus on this year's budget was health, health spending — approximately 160 million; if you look at estimates of last year versus estimates of this year, we see an increase of about \$160 million.

Now, Mr. Minister, last time that we were in interim supply date — which was April 2 of this year — on pages 332 and 333 of *Hansard*, you indicated that a couple of things had happened in light of the questions that I asked you. And you had indicated that the province had received and was obligated to receive the \$60 million more or less that was a new federal transfer because of the \$2 billion surplus for the . . . in the area of the federal government, and that promise was fulfilled and you indicated that the 60 million was received in last fiscal year that ended on March 31.

Then you indicated that the \$79.3 million which the government had received back at the conclusion of the mid-year report — I'm not sure exactly when that was received; I think it was about November — you indicated that \$79.3 million had been received and that for this fiscal year we were actually were looking at \$47.7 million that you were moving forward, sort of, for this year.

So, Mr. Minister, the question that I need you to answer and to explain to the people of Saskatchewan: if we compare the estimates presented by your government a year ago, the estimates that you presented this year, we see a difference in health expenditure of about \$160 million dollars. Can you tell us, of that \$160 million additional spending in health care, what new monies would your government would have received prior to March 31 and subsequent to March 31 in the way of this 40-some million dollars that you're now putting into the fiscal picture for health?

Because I looked at the estimates for health care; we in fact see that the Health estimates for last year actually decreased in the forecasted expenditure for health. So the additional monies was not allocated into any health expenditures for last year, yet you've indicated on record that about \$60 million was received.

So if I add 60 and 47 millions of dollars together, I'm seeing about \$107 million of federal money. Is that the only amounts that this government has received from the federal government? Or are there other amounts that your government received since the estimates document of a year ago? And what will we see for expenditures in this year?

(14:45)

**The Chair:** — Why is the member on his feet?

**Hon. Mr. Cline:** — With leave, to introduce guests, Mr. Chair.

**The Chair:** — The member has requested leave to introduce guests. Is leave granted?



**Some Hon. Members:** — Agreed.

**The Chair:** — That's carried. I recognize the member for Saskatoon Massey Place.

### INTRODUCTION OF GUESTS

**Hon. Mr. Cline:** — Thank you, Mr. Chair. I'd like to introduce to you and through you to members of the Assembly, seated in your gallery, or the Speaker's gallery, Mr. Murray Hinds, who's a good friend of mine and also a former law partner of mine, and I understand a water polo competitor of the member from Regina Elphinstone-Centre. And it's very good to see Murray in the gallery today. He's very active in the legal community, but also a number of community organizations in Saskatoon. And so I'd like all members to join me in welcoming Murray to the Assembly here today.

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

### COMMITTEE OF FINANCE

#### Motions for Interim Supply (continued)

**Hon. Mr. Van Mulligen:** — Mr. Speaker, the member raised a number of questions. One, I believe he raised a question about the relationship of the estimate this year to the forecast from last year versus the estimate of the previous year.

The estimated expenditure for this budget in Health is \$2.687 billion. And he'll see that on page 67 of the summary budget document. And he will see then, also in that line, that there is an estimated expenditure that is the budget estimate for last year was \$2.526 billion. And then the forecast expenditure for the year of '03-04 was \$2.522 billion, about roughly 3, \$4 million less than . . . So the forecast expenditure at the point we published the budget was about 3, \$4 million less than what we forecast to spend for the year. And I'm not sure of all of the reasons immediately offhand as to why it's down.

But the member will know that, early in the year, we encouraged departments to exercise some additional review in terms of spending and to see what they could do to reduce spending for the remainder of the budget year. And in part, that may account for the reduction in the estimate. Although it's not unusual when you consider a budget of, you know, now roughly \$2.7 billion that, in any given years, there may be some flow over from one year to the next for various reasons.

With respect to the amounts that were budgeted prior to March 31, that is in the old fiscal year, we booked in \$48 million in health renewal funding and we also included \$62 million as our share of the \$2 billion that was distributed by the federal government for health care in the provinces.

And you'll remember the discussion about the \$2 billion. We had originally anticipated booking that in the current fiscal year and we had been led to believe — based on statements by the then leader of the Liberal Party or the new nascent Leader of the Liberal Party, Mr. Martin — that this would be funds that would be taken into this current fiscal year that we're in now, as opposed to the previous fiscal year. And on that basis, we had

looked forward to booking that this year.

But at the end of the day, the federal government could not provide us the kinds of assurances about when the money would flow to the satisfaction of the auditors and, therefore, we have had to book that in the previous fiscal year.

This year we are booking an additional . . . we are booking \$47.7 million of health renewal funding as well. Thank you.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, has the treasury of Saskatchewan received the 62 million as promised by the federal government?

**Hon. Mr. Van Mulligen:** — Yes, we received the cash, Mr. Speaker . . . or Mr. Chair.

**Mr. Krawetz:** — Thank you, Mr. Minister. It's good to see that we have that cash.

Now, Mr. Minister, then as you've clarified, you've indicated that the health expenditure for the previous year in fact just dropped a little bit below the estimates. There was no dramatic decrease or dramatic increase. So therefore the 60 million that was provided by the federal government last year was not added into the expenditures and budgets were increased.

Yet as you've indicated, near the end of the fiscal year there were many health regions that were actually doing something called cost containment. They were delaying surgeries; they were doing all kinds of things. And I see then as you've indicated, there's about a \$4 million reduction in the actual expenditures. So we had budgeted for last year, 2.5 to \$6 billion and the Government of Saskatchewan did not spend quite that much.

Will we then see, Mr. Minister, that health authorities, regional health authorities, are they going to be also indicating surpluses because they didn't spend as much? Or in fact, what was the reason for cost containment measures if we had \$4 million of additional monies, or is this in other sectors of the health budget? And I know I'm asking you a specific health question, Mr. Minister, but there seems to be, you know, a degree of uncertainty here.

We've indicated in this Assembly the many people that have come forward and said, my surgery is being delayed; I'm on a waiting list that's getting longer. Yet we see that \$4 million of expected expenditure in the Health department didn't take place. We know that the federal government contributed \$60 million. You've said the money's in the bank for last year. It doesn't seem to add up.

So could you clarify what you would expect as Finance minister to see from the regional health authorities for their year-ends that coincide with the last fiscal budget?

**Hon. Mr. Van Mulligen:** — Mr. Speaker, if I might make a couple of points. One is that \$4 million in a context of a budget that last year was \$2.5 billion is about a quarter of one per cent of the total budget. And it's not always entirely possible at the end of the day to completely calculate to the penny what it is that we should be spending.

And I also point out that towards the end of the year, that we encouraged the Department of Health and all departments to exercise restraint, to do additional reviews in a number of areas with respect to expenditures to see what we could do to, even during the course of the last fiscal year, to contain expenditures.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, as you have indicated then, if I can summarize. Would you agree with the fact then that your budget for this current year, which shows an increase in health expenditure of about 160 million, estimate of last year to estimate of this year, and the fact that you have indicated that you have brought forward 62 million and 48 million respectively of two amounts of federal monies that have been allocated through to the province of Saskatchewan, those two numbers add up to about 110 million. So the provincial taxpayer for the province of Saskatchewan then, through other resources that you have access to, is actually going to contribute about \$50 million of provincial monies to the increase in the health budget of \$160 million?

(15:00)

**Hon. Mr. Van Mulligen:** — Mr. Speaker . . . or Mr. Chair, last year's total budget was in the neighbourhood of \$2.5 billion. The increase last year over the previous year in total was about \$184 million. About \$110 million of that could be attributed to the federal government and about \$74 million to the provincial government. But part of that 110 then is the \$62 million that we booked in this last fiscal year as part of the \$2 billion transfer from the federal government.

I believe that this year the support we are receiving from the federal government is less than it was last year. And the member gets at one of the frustrations that not just Saskatchewan but that all the provinces have with respect to the federal government when it comes to support for health care, that for us to provide health care on a sustainable basis and to go forward and to plan, we need to have from the federal government stable funding; and we also need to have predictable increases in that funding.

We should not have a situation where federal government says that, well if we have a surplus at the end of the year, then maybe that's money that you can book the following year, and then get into, you know, a protracted public discussion about whether or not that \$2 billion will be there. And then when the \$2 billion is there say, whoops, we didn't mean for that to go into the next fiscal year as we originally had indicated that it should, but it should now go into the existing fiscal year. That's not the kind of stability that Saskatchewan or any of the provincial governments are looking for, and we need better from that from the federal government.

**Mr. Krawetz:** — Thank you, Mr. Minister. While I don't disagree with you as far as a better federal plan that is upfront and is understood by all, there's no question that we need that.

It's just the point that I was making, Mr. Minister, is that when you, when your predecessor prepared last year's budget, they were not planning on a \$62 million revenue to balance the health budget . . . the health expenditures against other revenues. That 62 million was not included. And while you've indicated that in your document, of course it is shown that it

was received as revenue for last year. Okay, no question about that. But the expenditures for health did not get increased by that revenue that was anticipated.

Mr. Minister, let's move on to another topic. And the full-time equivalents, Mr. Minister . . . Your document page is 151. And you stated in your budget address, and there was a lot of concern expressed by third parties, and we know what's happened with the park closures and everything else. You indicated in your document on page 151 that the number of full-time equivalents that would be decreased from the listing that you've provided is in fact 104.8, or let's round up to 105.

And yet you've indicated in the press, Mr. Minister, a number of times, that it's over 500 employees. Now you made reference to the fact that some are seasonal and some are part-time. So I understand it, and I'd like you to clarify, is that in fact meaning that about 500-plus people will be affected, but when you look at the full-time equivalents we're going to actually be talking about full-time jobs, about 105? That's the first thing that I want you to clarify, Mr. Minister.

Then secondly, if we look at the departments that had significant change, and I'll just pick three of them. The Agriculture, Food and Rural Revitalization shows a change of about 53 full-time equivalents. The Environment department shows 34 full-time equivalent changes. And Highways and Transportation is about 21.

Mr. Minister, would officials in each of these departments be able to provide for the Legislative Assembly a breakdown as to what amount of human resource cost is in fact being saved by each of those departments and, you know, subsequent to that, never mind those three, but all of the departments that show, you know, even a reduction of two employees. Has the Department of Finance or treasury tracked every one of these departments to know what the resulting savings will be for the departments involved?

**Hon. Mr. Van Mulligen:** — Mr. Chair, the member raised a number of questions with respect to FTEs, or full-time equivalents, that are incorporated in the budget documents. One of the figures that we have, 104 FTEs, pertains to the difference in full-time equivalents that are estimated this year versus the estimate that was in the budget document last year.

And there is a reduction between these two estimated amounts of 104 FTEs but there will be a greater difference between what actually occurred during the year and forecasts during the year because there was an increase in the number of full-time equivalents, notably in areas such as fighting forest fires. And so therefore the decrease will be greater from the actual number forecast to be employed during the year to what is in the estimates this year.

With respect to the numbers of people that are affected, the member is right that each FTE can implicate more than one person. There may be part-time positions. There may be temporary employees occupying part of a full-time equivalent. There may be summer students occupying some of these full-time equivalents, and so the member is right.

As to the question of being able to provide a specific figure for

what is saved by reducing the number of FTEs, again this is a difficult exercise for us. I would certainly encourage the member to ask the various departments when they come forward during estimates, to ask them where it is that the savings have occurred and to what extent the savings are the result in reducing staffing complements or the number of FTEs. We are still going through a bumping process within government and therefore in a global sense it's very difficult for us to say, well we've reduced the number of FTEs and therefore this results in X number of savings.

Now I've heard the member give a range of values to the media. I don't want to give a range of values. At the end of the day I'd like to give a more exact figure but we would not be able to do that until such a time as that process is completed. But certainly when the estimates come forward, the member is encouraged to ask the ministers responsible for departments with respect to the specific subvotes: you show a reduction here; is that in part achieved by reducing a full-time equivalent in that area?

**Mr. Krawetz:** — Thank you, Mr. Minister, for clarifying that. As you've indicated, I've tried to estimate where we're at and where certain departments are at, and I know that my colleagues will look forward to questioning ministers as they appear before the various committees in estimates.

Mr. Minister, one specific question, and you may not be able to answer this. I note that under the category revolving funds, the Highways Revolving Fund doesn't exist any more, and in fact it was incorporated into the Department of Highways. What allowed for that transfer now? And if it was done now, what enabled it to be done this year, and why wasn't it done the years before? It seems that there may have . . . It may have resulted in the ability to save some duplication by looking at the numbers. Or is it just a new procedure that has been adopted by the Department of Highways?

(15:15)

**Hon. Mr. Van Mulligen:** — Mr. Speaker, the change that the member is asking about refers to a change that we are making with respect to our budget, where we're booking capital differently than in the past.

In the past when we had a capital dedication in a particular year, the revolving funds would be able to expense that over a number of years — say, Highways capital equipment as an example. But with the changes that we're making in the budget this year, we no longer need the revolving fund to accomplish that. We can now do that through the normal budgetary process.

**Mr. Krawetz:** — Okay. Thank you for clarifying that, Mr. Minister.

Mr. Minister, another area that I'd just like to spend a few minutes on is equalization — a favourite topic of yours. As you've indicated, Saskatchewan has . . . is part of a federal agreement that may last as long as 2009, and we need to make changes to that agreement.

Mr. Minister, by my research it looks like a recent document was signed that produced the equalization contract, if you like, between the federal government and the provinces not too long

ago. Could you indicate how Saskatchewan Finance department, treasury department . . . how was Saskatchewan involved in the actual putting together of the document that we currently have difficulty accepting?

**Hon. Mr. Van Mulligen:** — Mr. Speaker, if I might . . . or, Mr. Chair, if I might just review the process.

First I should indicate that this is not a federal agreement that the federal government has with the provinces; that it's not a contract that is signed between the federal government and the provinces, no more so than the foundation operating grant is an agreement between the province and the various school boards, or that revenue sharing is a contract between the province and municipalities in Saskatchewan.

Equalization is a federal program, and at the end of the day it is up to the federal government to do what it will do with that program. So it's not a matter of us agreeing to anything, and certainly we're not in a position to, if you like, sign any contract with them.

Once a renewal is completed and leading up to this current renewal, about two to three years ahead of the current renewal which was substantially completed in the last number of months, we begin to hold technical discussions at the officials level, led by the federal government, and I might say on an agenda that is determined in large part by the federal government.

The federal government says that these are issues that in the coming renewal that we want to assess and perhaps include, and we want to obtain the benefit of the advice from the officials from the various provincial governments as to the impact that these changes might have on the provinces, and will also seek to have a discussion on items that they've specifically said that, this is part of equalization but when the next round comes up we'll have another review of that. And one of those would be the mining tax base.

So in this last round of renewal I think some of the issues that were on the table were the treatment of commercial licence revenues for commercial vehicles and how that might affect equalization bases in the various jurisdictions. Another one that was on the agenda was the question of property tax revenues and how that might be treated, and to what extent that might be taken as a sign of relative fiscal health among the provinces. So that too was then one of the items that was on the agenda.

And again as I indicated, the federal government put the mining tax base on the agenda, and there were also other issues that the federal government put on the agenda. Provinces had, some provinces had made the point that when the federal government makes an adjustment because of some change in equalization and then books that adjustment at one point, that that may create difficulties for the provinces in terms of cash flow. And therefore the provinces had a proposal to equalize, if you like, that or to average those shocks over a period of time to lessen the impact at one point for the provinces.

So the federal government then comes out with its agenda, invites discussion on the part of the various provincial government. To an extent, some provinces may discuss among

themselves how we are to treat these proposals by the federal government, but in the main it's a two-way discussion or, if you like, a bilateral discussion between the federal government and ourselves.

At the conclusion of that process, the department then makes a report to the ministers. And then there may be discussions at the ministers' level, and prior to the federal government calling one final meeting of the Finance minister to hear their, if you like, last comments with respect to the proposals that they have for equalization renewal, and then after that point, the federal government proceeds to make the changes that it will make and — as it has done in this particular case — the changes that it plans to make and put into legislation. But that's roughly the process.

Again the items that are on discussion are the ones that the federal government puts on the table. We can during that process indicate or flag items that, if they're not on the table now, that perhaps these ought to be on the table at some future time. And sometimes the federal government will do that. I think the property tax issue, for example, is something that the province of Quebec has sought to be at the . . . or to be part of the agenda. And the federal government's finally, in this renewal, put that on the agenda.

But again I want to emphasize that this is not a matter of contractual agreement. This is a matter of 10 jurisdictions in Canada, each of them with their own interests, each of them with their own peculiar impacts with respect to equalization, that enter into largely bilateral discussions with the federal government. And that's roughly how that process works.

**Mr. Krawetz:** — Thank you, Mr. Minister, for trying to simplify a very complicated process. And we understand that of course the formula that is used to determine equalization carries back years and goes ahead. And the numbers . . . If someone in the public, I'm sure, is looking at the budget documents from years past and looking at what was estimated and what was actually received, they see tremendous fluctuations. And we know that equalization formulas that kick in can create that. So I appreciate your response, Mr. Minister.

Mr. Minister, the research done by Professor Courchene I think for the year . . . 2001-02 I believe was the specific year. He identified a very serious concern for the province of Saskatchewan in the oil and gas sector. The Premier has indicated the concern. You've indicated the concern from the point of Saskatchewan, and the Leader of the Opposition has in fact indicated that that needs to be addressed.

Mr. Minister, in light of what you just said and putting together a federal program that, you know, the items that are included on the table are actually the federal government's items, what kind of attempt will you be making as Finance minister to change the minds of people in Ottawa in the very near future as to how Saskatchewan should be getting a different deal? Whether we want . . . Do we want the same kind of deal as Nova Scotia and Newfoundland? Do we want to create a provincial plan that is different? And how will now the federal program, as you've identified, be able to accommodate the needs of Saskatchewan?

And I think the perceived description of both the Premier and

the Finance minister . . . Mr. Goodale's indicated that there seems to be this problem and that we need to deal with it. As Finance minister representing Saskatchewan, how will you put forward Saskatchewan's position as to what might serve us better?

(15:30)

**Hon. Mr. Van Mulligen:** — Mr. Chair, you know, some people might take the point of view that there's nothing you can every say or do in the provinces that changes anyone's minds in Ottawa unless there's some political reason for Ottawa to change their minds. And I hesitate to say that. You know Ottawa did respond to certain issues defined by Professor Courchene in his article . . . and could be likened to the federal government is caught publicly in the act of picking the pockets of the people of Saskatchewan and then decided, upon publicly being caught, to respond.

But I take a more optimistic point of view that at the end of the day that if your cause is just and that there are good reasons for the people of Canada to accept the arguments that you put forward, then you should do that, and you should do that at every level — as the Premier has done in his meetings recently with the Prime Minister, as I am doing in exchanging correspondence with the federal Finance minister and meetings that I have had with the federal Finance minister to discuss equalization, as our officials will do as they hold discussions at the officials' level to follow-up on, in many cases, the discussions that are held at a more senior level.

We will also discuss this matter at meetings of provincial Finance ministers. And as Western Finance ministers we will make recommendations to the meetings of the Western Premiers when they meet, recognizing that not all provinces are the beneficiaries of equalization, so there are other provinces that are not as interested in having equalization as part of the agenda. But nevertheless, that is another forum that we have for discussion, and the member will also know in recent months we have also tried to engage the public in that dialogue.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, one final question before one of my colleagues has a couple that she'd like to ask.

The Senate Committee on National Finance met with Professor Courchene and had, I believe, given him as much as an hour of presentation time where he's made that presentation. And others are doing that as well. So there are ongoing things that are happening.

Do you, in your or in your official's knowledge of a committee like the standing committee on . . . or the Senate Committee on National Finance, is that committee going to make recommendations to parliament, and will proposals put forward by provinces like Saskatchewan, will they be given serious recognition?

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I might point out that I will be appearing tomorrow before the Senate Committee on National Finance, and I'll be accompanied by the Finance critic when I do that.

The committee in question last made a report to the federal government 2002, a couple of years ago, with respect to the equalization program. One of the recommendations that they made in that report is that the federal government should return to a 10-province standard for calculating equalization. And that is a recommendation that, if it had been adopted by the federal government, would likely mean that the member and I would not be having a discussion today with respect to equalization because it would cure many of the problems and issues that we have with respect to equalization.

So the committee has made recommendations in the past. I understand that they are revisiting the equalization issue, in part because of the controversy that has surrounded the renewal of the equalization at this point and in part because of the comments made by Professor Courchene, and I think is one of the reasons that they extended an opportunity for him to appear.

We look forward to the opportunity to make our case, to point out to them the unique way in which Saskatchewan is affected by equalization. You know, we hope that they will make further recommendations to the federal government.

We're encouraged by comments such as the comments from, as I understand it by the deputy minister for Newfoundland, who also indicated that, you know, that a return to the 10-province standard would not only have a beneficial impact for the province of Newfoundland, but pointed out specifically that it would have an even greater beneficial impact for the people of Saskatchewan. He recognized I think in part that the reason that this issue has been opened up by the Senate is because of the controversy surrounding equalization in Saskatchewan. So we look forward to the opportunity.

We don't know of course at the end of the day what regard these recommendations by the committee — if there are recommendations — might be accorded by the federal government. But we can all hope that . . . you know, who knows? They're going to a federal election. Who knows what party will pick this up as an issue to campaign on. Perhaps they might reverse a trend that we see of them trying to obtain support in the cities within our jurisdictions, but try to obtain the support of people in provinces in Canada so that those provinces are better supported to provide priority services, and those provinces can move ahead with their agendas. So we hope that at the end of the day will be the outcome.

But again, you know, one can never be sure what will be the specific outcome. But I'm an optimist. And as an optimist, I have to believe that when you have a good cause, like we do, that there is a question, a fundamental question of fairness here that has been recognized by people outside our borders, that at some point that will prevail and that we will be accorded fair and just treatment by whoever that federal government might be.

**The Deputy Chair:** — I recognize the member for Kelvington-Wadena.

**Ms. Draude:** — Thank you, Mr. Deputy Chair. Welcome to the ministers and to your officials. This is my first opportunity to ask some questions in not any real direct department, but some questions that I have that surround my critic area of Aboriginal

Affairs.

Because Saskatchewan has a wonderful opportunity with our increasing number of Aboriginal people . . . we actually have our own private little baby boom going on in this province, but at the same time it causes some citizens to be confused about issues, especially around money, on how money is spent on and off-reserve. Minister, can you confirm for me, first of all, that the federal government pays for the health care for Aboriginal people?

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I thank the member for the question. And I was interested to hear the member's opening comments with respect to demographics in Saskatchewan and point out that I read a very interesting article in the most recent edition of *National Geographic* which points out population trends and demographic shifts in the Great Plains region of the United States. And when you read that, it's interesting the comparisons that one can quickly make with what is taking place in the Great Plains region of Canada as well.

The question of support by the federal government: when it comes to health care for First Nations people, the federal government will provide some level of services on reserves. They may pay, for example through their own arrangements, for health nurses to be located on some reserves in Saskatchewan or First Nations in Saskatchewan. They may provide funding for First Nations hospitals in some parts of Saskatchewan which are then open to people who live on those First Nations, but also for people in that area from off the reserve.

But once a person moves off the reserve, or leaves the reserve to access a service in the province of Saskatchewan, then that becomes an entirely . . . a cost that's borne by our health care system and certainly is an issue that presents challenges to us. Certainly all those people who do not live on the reserve and move into our cities, town, and villages in Saskatchewan access our health care system the same as they would, as anyone else in Saskatchewan. But then they're also obliged to pay taxes the same as anyone else in Saskatchewan.

**Ms. Draude:** — Thank you, Mr. Minister, for clarification. I was under the understanding that, for example, prescription drugs would be paid for basically through their card, through the federal government. So you're saying that the province actually picks up the costs of all the health services and procedures for Aboriginal people that are not living on-reserve. That's a confirmation?

**Hon. Mr. Van Mulligen:** — Mr. Chair, the member is asking a detailed question about how certain services are provided to First Nations people. It is our understanding, and I stand to be corrected on this, that there are circumstances under which the federal government will provide support for certain prescription drug purchases by First Nations people. Now what the breakdown is there between on-reserve and off-reserve, I'm not clear but certainly would encourage the member to ask these questions of the Minister of Health, or we can also undertake to provide a written answer for the member so that in the interests of clarity that the member is well served by the actual facts as opposed to us trying to grapple with what we think are the facts. So we would certainly undertake to provide a written response

to that for the member.

**Ms. Draude:** — Thank you, Mr. Minister; I appreciate that. At the same time I'm wondering if you can give me an idea of which of your departments actually get funds from the federal government for different works that may be provided for Aboriginal people. For example, does the Department of Learning get money directly from the federal government for learning? Does the Department of Community Resources, for example?

(15:45)

Just a type of a breakdown just for more of an understanding. Because I believe some of the issues that we are dealing with today in the province as a whole, there's a lot of confusion, of lack of information and education between all peoples as to who's . . . where the rights are and what, and who's paying for what. So if you could provide that breakdown for me, I would appreciate it.

At the same time, Mr. Minister, can you tell me if there is costs that go to the federal government from the provincial government for services provided to Aboriginal people. Is there any administration costs added to that, to that bill that would go to the federal government?

**Hon. Mr. Van Mulligen:** — Mr. Speaker, pursuant to the last meeting of the Committee of Finance to deal with interim supply, we undertook to provide a schedule of all of the various agreements and arrangements that we have with the federal government where we are transferred funds for specific agreements to provide certain services.

Now some of those services may be specifically related to First Nations people. But I'm not really clear on that, and I think it's better that the question is put to the specific departments when they come forward. There may be arrangements where we undertake to provide a specific service for someone who is off the reserve and where we provide that service and we're compensated for that by the federal government for some specific reason that I couldn't articulate what that reason might be. I know we enter into many arrangements with the federal government, some of it related to First Nations people.

There may well be also program delivery within the departments that are not covered by these agreements, where services are provided to First Nations people because, at the end of the day, these are citizens of the province. They do not necessarily live on the reserve but we are nevertheless obliged because they are citizens of Saskatchewan to provide them, too, with the services that we provide for all of our citizens. So I think it's a better question to put to specific departments.

Also I suspect that the Department of Government Relations and Aboriginal Affairs might have further insight in a general way on this specific question than we might at Department of Finance. Again, that there's no clear breakdown of where, you know, where we differentiate between First Nations and people who are not First Nations when it comes to agreements or funding arrangements with the federal government.

**Ms. Draude:** — Thank you, Mr. Minister. I am trying not to be

too specific because I understand, you know, in generalities. I'm just asking questions to get some background.

I notice in the budget that there's \$10 million left going into . . . less going into TLE (treaty land entitlement) money this year than last year and it's because some of the agreements have been settled. But I know in the big picture your Department of Finance must be budgeting for the next round of TLE agreements that are coming forward. And can you give me an idea of what you're looking at for the forward budgeting for these agreements?

**Hon. Mr. Van Mulligen:** — Mr. Chair, again we find it difficult to provide the kind of answer that will satisfy the member and the members of the committee because we simply do not have the details on the framework that's there to support treaty land entitlement and the expenditures. But we do believe that the minister responsible for Aboriginal Affairs would be in a position to provide a better explanation of that process and the funding when his estimates come before the House. Thank you.

**The Deputy Chair:** — I recognize the member for Kindersley.

**Mr. Dearborn:** — Thank you, Mr. Chair. I'd like to thank the minister and his officials for attending here this afternoon so that we could proceed with the estimates.

Mr. Minister, the question that I have has to do with the rebate on farm fuel, and specifically with regards to bulk card locks at fuel dealerships. And I'm wondering if there is going to be a move that there has to be a minimum gasoline purchase of 200 litres at card locks before a fuel tax exemption permit for the 80 per cent will be allowed.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, that is the subject of some discussion between ourselves and the industry at this point. And at the time that we reach a conclusion in that matter, we'll certainly undertake to get that information to the member in addition to communicating it to the public.

**Mr. Dearborn:** — Thank you, Mr. Minister. I'm glad that you've come forth with that statement, and I would hope that you would examine this carefully. There are a number of problems that such an implication would have for farmers and for the businesses in rural Saskatchewan.

First of all, there would be a significant cost incurred to create the systems necessary to handle the restrictions. Secondly, key locks would be forced to charge customers 100 per cent of the tax on all purchases because they cannot be automated to comply with the restrictions. Further, if the proposed change is made, farmers would likely move their purchasing from card lock to key . . . or a key lock to on-farm storage. And this presents a number of problems. First and foremost would be the environmental risk. I can tell you without a doubt, the professional nature of our bulk fuel dealers are very conscious of environmental standards. These standards, however, do not cross over necessarily to all farms.

It also would cause the . . . with the demise of the farm economy, the potential for theft increases with on-farm storage, and the additional cost combined with the reduction throughout would result in some card-lock or key-lock projects becoming

unfeasible. And, Mr. Minister, particularly with this number being contemplated, this will hurt small farmers who still are running gasoline trucks, three-tons, whatnot, or small gasoline tractors. And I would hope that the minister will take that under consideration and not implement such a move. Thank you.

**Hon. Mr. Van Mulligen:** — Mr. Chair, again we are undertaking discussions with the industry to see how we might best implement this revenue measure, and at the point that we reach some understanding with the industry how we might most effectively and sensitively do this. And we will be communicating this, and we will make note of making sure that we respond specifically to the member's question as well. Thank you.

Mr. Chair, I move no. 1:

Resolved that a sum not exceeding \$1,020,526,000 be granted to Her Majesty on account for the 12 months ending March 31, 2005.

**The Deputy Chair:** — It has been moved by the minister that:

The sum not exceeding \$1,020,526,000 be granted to Her Majesty on account for the 12 months ending March 31, 2005.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Deputy Chair:** — I recognize the Minister of Finance.

**Hon. Mr. Van Mulligen:** — Mr. Chair, I move 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, 2005, the sum of \$1,020,526,000 be granted out of the General Revenue Fund.

**The Deputy Chair:** — It is moved by the Minister of Finance:

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, 2005, the sum of \$1,020,526,000 be granted out of the General Revenue Fund.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Deputy Chair:** — Agreed. I recognize the Minister of Finance.

**Hon. Mr. Van Mulligen:** — Mr. Chair, I move that the committee rise and the Chair report that the committee's agreed to certain motions and ask for leave to sit again.

**The Deputy Chair:** — It has been moved that the committee rise and that the Chair report that the committee has agreed to certain resolutions and ask for leave to sit again. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Deputy Chair:** — Agreed.

(16:00)

#### FIRST AND SECOND READING OF RESOLUTIONS

**The Speaker:** — I recognize the Chair of Committees.

**Mr. Iwanchuk:** — Mr. Speaker, the Committee of Finance has agreed to certain resolutions, has instructed me to report the same, and to ask for leave to sit again.

**The Speaker:** — When shall the resolutions be read the first time? I recognize the Government House Leader.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I move that the resolution be now read the first and second time.

**The Speaker:** — Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

**Clerk Assistant:** — First and second reading of the resolutions.

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

**The Speaker:** — When shall the committee sit again?

**Hon. Mr. Van Mulligen:** — Mr. Speaker, later this day.

**The Speaker:** — Later this day. I recognize the Minister of Finance.

#### APPROPRIATION BILL

**Hon. Mr. Van Mulligen:** — I move that Bill No. 42, The Appropriation Act, 2004 (No. 2) be now introduced and read the first time.

**The Speaker:** — It has been moved by the Minister of Finance that Bill No. 42, The Appropriation Act, 2004 (No. 2) be now introduced and read for the first time. Is leave of the Assembly granted?

**Some Hon. Members:** — Agreed.

**The Speaker:** — It has been granted. Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

**Clerk Assistant:** — First reading of this Bill.

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

**The Speaker:** — When shall the Bill be read a second time? I recognize the Minister of Finance.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, by leave of the Assembly and under rule 57(2), I move that the Bill be now read a second and third time.

**The Speaker:** — Is leave of the Assembly granted?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Leave has been granted. It has been moved by the Minister of Finance that Bill No. 42, The Appropriation Act, 2004 (No. 2) be now read a second and third time. Is the Assembly ready for the question? Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

**Clerk Assistant:** — Second and third reading of this Bill.

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

**The Speaker:** — Order. I am advised that Her Honour is here for Royal Assent.

### ROYAL ASSENT

At 16:04 Her Honour the Lieutenant Governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bill.

**The Speaker:** — May it please Your Honour, this Legislative Assembly has voted the supplies required to enable the government to defray the expenses of the public service.

In the name of the Assembly, I present to your Honour:

Bill No. 42 - An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 2005

to which I respectfully request Your Honour's assent.

**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 16:07.

### SECOND READINGS

#### Bill No. 36 — The Provincial Sales Tax Amendment Act, 2004

**The Speaker:** — I recognize the Minister of Finance.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I rise today to move second reading of The Provincial Sales Tax Amendment Act, 2004. I would like to declare, Mr. Speaker, that this Act will be treated as a confidence vote as it is integral part, as it is an

integral part of our 2004-2005 budget.

Mr. Speaker, in preparing the 2004-2005 budget, I might say that this was a difficult process. We had to take action to address the widening gap between revenues and expenditures. We conducted a thorough expenditure review and cut spending in lower priority areas when possible.

Twelve departments had their budgets cut and funding reallocated to high priority essential services, including health care and education. Health care funding increased by \$160 million for 2004-2005. We have a record budget for the Department of Health at almost \$2.7 billion.

Saskatchewan residents have told us that health care remains their number one priority. Securing our publicly funded health care system is a priority for this government, Mr. Speaker.

We also have a record budget for the Department of Learning at slightly over \$1.2 billion. The budget increased funding to the Department of Learning by \$45 million. Education contributes to our growth, our prosperity, and the future of our province. It is the best investment we can make in our young people. These two sectors, two of the highest priority areas for Saskatchewan people, account for 90 per cent of the spending increases in the 2004-2005 budget. Saskatchewan people have told us what their top priorities are: health care and education.

However, the cost to support these valued public services are increasing. And spending cuts alone were not sufficient to meet the increased funding pressures in these two priority areas. Mr. Speaker, we reviewed numerous revenue options. For the PST (provincial sales tax), this included expanding the base or increasing the rate. The decision to raise the PST one percentage point was not an easy one, but it was necessary to maintain the essential services that Saskatchewan residents rely on.

Mr. Speaker, although this Bill increases the PST from 6 per cent to 7 per cent, it does not broaden the base. Items previously not subject to the tax will remain exempt. This includes key family essentials such as residential electricity, heating fuels, children's clothing, and prescription drugs. In addition, restaurant meals are still not subject to PST.

Mr. Speaker, I will also note that even after the rate increase Saskatchewan still has the second lowest sales tax rate in Canada. Our tax policies remain competitive, fair, and sustainable. The PST increase will raise an additional \$136 million in tax revenue annually. While this amount is substantial it still does not meet the funding increases for health care and education. However, the additional revenues will help maintain high quality health care and education for Saskatchewan residents.

Mr. Speaker, to lessen the impact on low-income earners, we will also introduce a \$8 million annual increase to the Saskatchewan sales tax credit. This move balances the need to increase revenues and fund essential services with protection for low-income earners and families.

Mr. Speaker, I move second reading of The Provincial Sales Tax Amendment Act, 2004.



**The Speaker:** — It has been moved by the Minister of Finance that Bill No. 36, The Provincial Sales Tax Amendment Act, 2004 be now read a second time. Is the Assembly ready for the question?

I recognize the member for Melfort.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. It's a pleasure for me to rise today and speak on Bill No. 36, An Act to amend The Provincial Sales Tax Act.

Mr. Speaker, in beginning my remarks today I would like to quote a promise made by the Premier of this province on page 15 of the NDP election platform. A reporter asked the Premier and I quote, "Do you have a mandate to change or raise the PST?" And the Premier said quote, "No, no."

Mr. Speaker, it seems passing strange to me that we're here beginning a debate on raising the provincial sales tax in light of the fact that the Premier himself said that this would not happen. Mr. Speaker, he said no to an increase in the provincial sales tax and here we are today initiating debate on exactly that broken promise.

Mr. Speaker, this promise lies right at the very heart of why this NDP government has abandoned its credibility with the people of Saskatchewan. It's broken trust. It's broken faith in the face of the fact that the Premier of this province on the election said categorically that he would not raise the provincial sales tax.

Mr. Speaker, throughout this session in the days that we've been meeting, we have said that there has been a fundamental betrayal of the people of this province from this Premier and this government. And this exactly speaks to the heart of it, because this exactly is a betrayal that is very clear in terms of what the Premier said and now what is happening with this government.

Mr. Speaker, the members opposite quip from their seats that somehow this is justified or expected, or somehow that they were caught by surprise. May I remind them, Mr. Speaker, they were the government going into this election.

And just like today, the Finance minister didn't even understand that he had broken promise and faith with the farmers of the province; and he didn't even know what's going on with the PFRA and the commitment that they had made to support a well drilling program.

Mr. Speaker, time after time after time this government has broken faith with the people of this province, and this highlights it as clear as anything that this government has done when we talk about raising the provincial sales tax from 6 to 7 per cent.

(16:15)

Mr. Speaker, it's no wonder when we go out into the province, into our constituencies and across Saskatchewan, in Saskatoon, and Yorkton, and Regina, and Swift Current — all around the province — that people are telling us that they have no faith and no confidence in the credibility or the honesty of this government to meet and stand with their commitments.

Mr. Speaker, it's easy to understand because today we're opening up the debate on increasing the provincial sales tax in the face of the promise that was made by the Premier of this province in the last election campaign. It's pretty clear. It doesn't sort of need to be explained. The Premier said one thing and now his government is doing something entirely different from what commitment that was given to the people of this province when they were considering who they were going to select to be the government.

Mr. Speaker, it's interesting to note as well that the Finance minister tries to somehow paint this as this was the only opportunity to generate revenue in order to pay for the increased expenditures for health and education.

Well, Mr. Speaker, I listened reasonably carefully during the interim supply discussion between the official opposition Finance critic and the Minister of Finance. And I heard the question asked, how much money has the federal government committed to the cost of health in this current fiscal year? And the answer I believe was a total of \$110 million of the \$160 million that has been committed to the health care budget came from the federal government. That's what I heard happen.

Now, Mr. Speaker, you don't have to be very quick with figures to understand that the province's additional commitment to the health care system was \$50 million. Now that's still a significant amount of money, but it isn't justification for raising the PST and expecting to raise \$136 million.

Mr. Speaker, the reason why this government has to increase the PST is because their economic development plan, the growth of this province, has been an abysmal failure. And the reason why they have to increase taxes in order to meet their commitments is because the economy simply is not growing. And it's not going to grow as long as this government is so out of touch with the needs of businesses, is so out of touch with the needs of the citizens of this province.

Yesterday the minister in charge of the Crown Investments Corporation said this government's attitude is going to be to make the Crown corporations the employer of choice. That this is what they're going to do, is lever everything in this province to make sure that the public sector and the Crowns are going to dominate the economy. And thank you very much, they provide useful and important services but they don't grow the economy.

The private sector is where the economy grows, and the private sector is going to get the clear message that they are not welcome in Saskatchewan. And how in the world are we going to ever get out of this spiral of having to raise taxes in order to meet essential services if we don't fundamentally change the attitude of this province and this government?

The member from Prince Albert sits there, the man that engineered the whole SPUDCO debacle, and sits there and chirps from his seat as if he understands how the economy works. All he understands is how to blow money, try to keep it from public view, and then get discredited by his own colleagues and placed in the backbenches.

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

**Mr. Gantefoer:** — Mr. Speaker, that's the credibility of the member from Prince Albert who oversaw the debacle about the investments by government in these kinds of crazy investments.

And so, Mr. Speaker, it's no, it's no wonder, it's no wonder, it's no wonder that it's going to be difficult for the members opposite to try to understand that they have to do something fundamentally more than just managing the decline of the economy. They have to actually do some things fundamentally different to grow the economy.

And what do they do? They break their election commitments, every single one of them almost without exception, and including the most important one of all that talked about not raising the provincial sales tax. And today here we are opening the debate on doing exactly that.

Mr. Speaker, it is impossible to understand how this government is going to do anything except managing the decline of the economy. They don't understand the reality of our demographics; they don't understand the opportunities that we have to grow the economy; they don't understand how important it is to give a positive, enthusiastic signal of the importance of the private sector in our economy. And instead of doing that, they send the signals that our promises are worth nothing and this province is going to go the route of a Crown and a public sector dominated economy that has little room or appreciation for the private sector in this province. And so, Mr. Speaker, they make the decision to raise the provincial sales tax.

Now I heard the minister say that they are very confident that this increased tax is going to raise, I believe, \$136 million of extra revenue. Well, Mr. Speaker, I recall a few years back when the provincial government was actually . . . they, after Mr. Romanow, the former premier of this province, he actually increased the sales tax up to 9 per cent in the early 1990s. And they were very concerned when the discussions were going on about reducing the tax, how much revenue would be lost, how much absolute revenue would be lost. And interestingly, they projected that it would be, I don't remember the numbers, but for discussion I think it was somewhere . . . 80 to \$90 million would be foregone on revenue for each percentage point of provincial sales tax at that time that would be diminished.

And as they did it, they found something very interesting because, Mr. Speaker, as they diminished the tax they actually found that the amount of revenue they projected, had projected to lose was not nearly as great. And you know why, Mr. Speaker? Because when you reduce taxes you generate more economic activity, and therefore the amount of revenue that actually flows into the government increases, or does not diminish nearly as much as you might expect.

Now I think it's also true in the opposite case. When you raise taxes you don't keep the same amount of economic activity happening. So it is entirely possible that not only by raising these taxes the government is going to fall short of the amount of money that they're projecting to collect because the economic activity will diminish.

You ask the businesses, on the west side of this province particularly, what this is going to have as an impact for their

business. And what it's going to do, Mr. Speaker, it's not going to automatically say, oh good, the taxes have gone up by one percentage point; we're now going to continue to make the decision and we're going to buy the refrigerator or stove or whatever purchase that a consumer's going to make; we're happy to pay the extra one per cent and we're happy that the government is going to collect another \$136 million.

Mr. Speaker, what's going to happen in far too many instances, particularly on the west side of this province, is people are going to vote with their feet to go across the border in a sales-tax-free jurisdiction and make their purchase there.

So not only does the government not collect the extra 1 per cent that they're projecting, they don't collect the 6 per cent that exists now. And so where is this increased revenue going to come from if that indeed happens? And I'm sure if you ask the business community on the west side of the province, you're going to hear them tell you is that that's exactly what's going to happen, and their opportunities to keep their businesses viable in Saskatchewan are going to be severely jeopardized.

Mr. Speaker, I was in Prince Albert on the weekend, and interestingly I was talking to some business people. And they said, you know what happens when you increase this sales tax? What you do is make us one more percentage point less competitive than our competition in Alberta. And so for people that are buying a bicycle or a recreational purchase — some of these things, canoes or whatever can be a sizable purchase — and so what happens for those businesses in Saskatchewan, including in Prince Albert, these businesses are saying, we have to now cut into our profit margin by 6 per cent in order to meet the prices that are quoted from Alberta. And now by raising the provincial sales tax, we have to take another percentage point out of our bottom line in order to meet the competition.

How in the world is that growing the economy, Mr. Speaker? It simply is not. And this NDP government simply does not understand that.

Mr. Speaker, I am sure that all of my colleagues will want to speak at length about this Bill, and so I want to make sure that people have time to consider it. And I also know, Mr. Speaker, that it's important for the people of the province to realize that this is a Bill that, actually is the Bill that we have to vote on in terms of support for the provincial sales tax increase that was promised not to happen by the Premier. And now another promise broken is happening to us.

And people, I know, Mr. Speaker, are going to want to comment on this legislation. They're going to want to hold this government accountable for their broken promises. They are going to want to make sure that they have the opportunity to register their displeasure at the decision that was made by this government in bringing this legislation forward. And in order for them to accomplish that, Mr. Speaker, I would move to adjourn debate.

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

**The Speaker:** — It has been moved by the member from Melfort that debate on second reading of Bill 36 be now adjourned. Is it the pleasure of the Assembly to adopt the

motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

Debate adjourned.

**Bill No. 37 — The Tobacco Tax Amendment Act, 2004**

**The Speaker:** — I recognize the Minister of Finance.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I rise today to move second reading of The Tobacco Tax Amendment Act, 2004. I would like to declare that this Act will be treated as a confidence vote as it is an integral part of our 2004-2005 budget.

Mr. Speaker, concern is growing among health professionals over the harmful effects of tobacco and the need to introduce strong measures to reduce tobacco consumption, particularly among our youth. Increasing the tobacco tax, and consequently the price of tobacco products, is generally considered one of the most effective deterrents of tobacco use.

Mr. Speaker, this Bill increases the tax on cigarettes and loose tobacco from 16 cents per cigarette or gram of tobacco, to 17.5 cents. Also, Mr. Speaker, this Bill modifies the calculation of the tax on cigars. This change is to ensure that all tobacco tax collectors are using the same method to calculate the tax on cigars.

Mr. Speaker, the Canadian Cancer Society applauded Saskatchewan's provincial budget because of the increase in cigarette taxes and additional funding for cancer care in the province.

Keith Karasin, executive director of the Canadian Cancer Society in Saskatchewan, said, and I quote:

Over time cigarette tax increases will reduce the number of people who smoke and go on to develop cancer, and reduce rates for smoking among youth.

Mr. Speaker, Mr. Karasin went on to say, quote:

We are encouraged that both parties in the legislature are focussing on the need for action to prevent cancer and the need for funding to improve treatment for people who are diagnosed with cancer.

Bans on smoking in public places and tobacco tax increases are the two most effective ways to reduce smoking rates. Over time these lower rates lead to fewer people developing cancer.

Mr. Speaker, the changes contained within this Bill are expected to yield approximately \$17 million in additional revenue in 2004-2005, revenue that will continue to help pay for our vital public services in Saskatchewan, including health care.

Mr. Speaker, I move second reading of The Tobacco Tax

Amendment Act, 2004.

**The Speaker:** — It has been moved by the Minister of Finance that Bill No. 37, The Tobacco Tax Amendment Act, 2004 be now read a second time.

Is the Assembly ready for the question?

I recognize the member for Melfort.

**Mr. Gantefer:** — Thank you, Mr. Speaker. It's a pleasure to rise this afternoon to speak to Bill 37, An Act to amend The Tobacco Tax Act, 1998.

Mr. Speaker, let me say first and foremost is that the official opposition very much supports any initiatives that are going to destabilize the use of tobacco products in our province and prevent people from beginning to be addicted to tobacco and any of its products.

Mr. Speaker, by and large I think that it has been shown in other jurisdictions that as the price of tobacco products increase, the accessibility and the incidence of young people starting to smoke diminishes. And I think that that is an important consideration in looking at this legislation.

I think there is always a balancing act — and I suspect that the minister fully understands this — between how much you can raise the taxes on tobacco and how much then you open the doors for smuggling of the product and the consequences that that potentially has. And it is kind of a balancing act and there's no finite rules that you can establish to make this happen.

But I think that, by and large, what is being proposed in this legislation is not going to tip the equilibrium in a significant way and will be a further deterrent to young people from starting.

(16:30)

Mr. Speaker, I think the other thing that should be considered when we raise the revenues from tobacco, is not only what is the effect on discouraging people from starting, but can we encourage people to quit the habit as well before it has permanent and lasting health implications by their use of the product.

And, Mr. Speaker, I think we maybe have to look at putting a little bit of a direct relationship in saying perhaps some of the revenue that we generate from an increased levy on tobacco could be dedicated to providing financial support for devices like the patch and other medications to help individuals quit smoking. That we could make that connection and that tie in to say, yes, we're taking in extra revenue from the tobacco taxes and we're going to make a commitment to have greater financial support to help those people who are currently addicted to tobacco end their addiction and end their dependence on the tobacco products.

So, Mr. Speaker, we think that there's certainly merit in this legislation. We think that it strikes a reasonable balance. We know there are going to be people like were quoted from the cancer agency and others that are going to want to comment on

this legislation. And in order to facilitate that, Mr. Speaker, I would move to adjourn debate.

**The Speaker:** — It has been moved by the member for Melfort that second reading debate on Bill 37 be now adjourned.

Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried.

Debate adjourned.

**The Speaker:** — I recognize the Government House Leader.

**Hon. Mr. Van Mulligen:** — Mr. Speaker, I move the House do now adjourn.

**The Speaker:** — It has been moved by the Government House Leader that this House do now adjourn. Is it the pleasure of the Assembly to adopt the motion?

**Some Hon. Members:** — Agreed.

**The Speaker:** — Motion is carried. This House stands adjourned until tomorrow at 1:30 p.m.

The Assembly adjourned at 16:33.



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## **CABINET MINISTERS**

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Premier

Hon. P. Atkinson  
Minister of Crown Management Board  
Minister Responsible for Public Service Commission

Hon. J. Beatty  
Minister of Culture, Youth and Recreation  
Provincial Secretary

Hon. B. Belanger  
Minister of Northern Affairs

Hon. E. Cline  
Minister of Industry and Resources

Hon. J. Crofford  
Minister of Community Resources and Employment  
Minister Responsible for Disability Issues  
Minister Responsible for Gaming

Hon. D. Forbes  
Minister of Environment  
Minister Responsible for the Office of Energy Conservation

Hon. D. Higgins  
Minister of Labour  
Minister Responsible for the Status of Women

Hon. J. Nilson  
Minister of Health  
Minister Responsible for Seniors

Hon. P. Prebble  
Minister of Corrections and Public Safety

Hon. F. Quennell  
Minister of Justice and Attorney General

Hon. C. Serby  
Deputy Premier

Hon. M. Sonntag  
Minister of Aboriginal Affairs  
Minister of Highways and Transportation

Hon. L. Taylor  
Minister of Government Relations

Hon. A. Thomson  
Minister of Learning  
Minister Responsible for Information Technology

Hon. H. Van Mulligen  
Minister of Finance

Hon. M. Wartman  
Minister of Agriculture, Food and Rural Revitalization