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**6TH SESSION, 37TH PARLIAMENT**

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THURSDAY, FEBRUARY 24, 2005

The House met at 10:03 a.m.

Prayers.

### Introductions by Members

**Hon. S. Brice:** It is my pleasure today to introduce 21 grade 5 students from St. Margaret's Junior School in my riding of Saanich South, along with some parents and their teacher, Carol McKinnon. Please join me in making them welcome.

### Orders of the Day

**Hon. G. Bruce:** I call committee stage on the Income Tax Amendment Act, 2005.

[1005]

### Committee of the Whole House

INCOME TAX AMENDMENT ACT, 2005

The House in committee on Bill 7; J. Weisbeck in the chair.

The committee met at 10:06 a.m.

Sections 1 to 30 inclusive approved.

On section 30.1

**Hon. C. Hansen:** I move the amendment to add section 30.1, which is in the possession of the Clerk.

[SECTION 30.1, by adding the following section:

Consequential Amendment

30.1 Section 71 of the Provincial Revenue Statutes Amendment Act, 2004, S.B.C. 2004, c. 40, is amended by striking out "section 29 (1.01)" and substituting "section 29 (2.1)".]

Section 30.1 approved.

On section 31.

**Hon. C. Hansen:** I move the amendment to section 31 that is in the possession of the Chair.

[SECTION 31 is amended in the table by adding the following item:

Item	Column 1	Column 2
	Provisions of Act	Commencement
21	Section 30.1	May 13, 2004]

Amendment approved.

Section 31 as amended approved.

Title approved.

**Hon. C. Hansen:** I move that we rise and report the bill complete with amendments.

Motion approved.

The committee rose at 10:08 a.m.

The House resumed; Mr. Speaker in the chair.

### Reporting of Bills

Bill 7, Income Tax Amendment Act, 2005, reported complete with amendments.

### Third Reading of Bills

**Mr. Speaker:** When shall the bill be considered as reported?

**Hon. C. Hansen:** By leave, now.

Leave granted.

Bill 7, Income Tax Amendment Act, 2005, read a third time and passed.

**Hon. C. Hansen:** I call committee stage on Bill 8.

### Committee of the Whole House

TAXATION STATUTES  
AMENDMENT ACT, 2005

The House in committee on Bill 8; J. Weisbeck in the chair.

The committee met at 10:09 a.m.

Sections 1 to 51 inclusive approved.

Title approved.

**Hon. C. Hansen:** I move that we rise and report the bill complete without amendment.

Motion approved.

The committee rose at 10:10 a.m.

The House resumed; Mr. Speaker in the chair.

### Report and Third Reading of Bills

Bill 8, Taxation Statutes Amendment Act, 2005, reported complete without amendment, read a third time and passed.

**Hon. G. Bruce:** I call budget response.

### Budget Debate (continued)

**S. Orr:** I have had the privilege of speaking to three budgets since I was elected, and each year the thrust of

my response has been about rebuilding. I've tried not to harp on about the famous mess that we all know we were left with. I admit that sometimes I do rant on a little bit about it, but I'm allowed that rant. Most times I bite my tongue.

Over the years I have had to explain to my constituents why we had to do what we had to do. Believe me, it was not easy and, actually, in some cases not fair. But I took it on the chin. My staff at my community office took it on the chin, and there you are. That's life. But deep in my heart, I knew that what we were doing was the right thing. It was good for the province. It was good for the people. It was good for the future of our children. We just had to get on with it, and we did that. We got on with it.

That is what this budget is about: getting on with it. We did a job, and I think we did it well. Now we're seeing it pay off. It will continue to pay off, providing we stick to the program. In my opinion, we will stick to the program.

This budget is a culmination of what happens when a government is responsible, when a government makes a plan and when a government sticks to it — when a government has a vision and then sticks to it. When I hear the opposition say that this budget is all about pre-election spending, it kind of ticks me off actually.

I have raised five children. I have worked most of my life either as an employer or as an employee. At several stages of my life I have had two or three jobs, and I had babies at the same time. I have run a home. I've never, ever shied away from an honest day's work. I can tell you that these past four years have been the hardest I have ever worked in my life. Believe me, my family and my friends can attest to that. Most of my friends think I'm crazy doing this job and tell me about it regularly. But they know I'm passionate about it, so they humour me.

This past four years is about what can happen if you put your shoulder to the wheel and get on with it. We said from the outset that once we got the finances in order, we would put money into programs and services. We have done that, just as we said we would. I am actually quite surprised that people are surprised. I have been waiting for this day. We said we would do this, and we've done this. It was always in the plan, so here we are.

[1015]

Good words: B.C. is back. We have a golden decade ahead of us. Hence, I had this scarf made for that very occasion. Many of my constituents in Victoria will be the direct beneficiaries of this budget — hard-working lower-income families. Anyone earning \$16,000 or less pays no income tax. I find some of the comments on that quite interesting. I've had several people say: "Well, they're not getting that much back." But \$16,000 is very little to live on, and those folks appreciate anything. They spend it wisely, and they are very happy that they are paying no income tax under \$16,000. They deserve it.

Anyone earning less than \$26,000 will have their taxes reduced. That takes in a couple of my children. They're pretty happy. More people on lower income will get MSP premiums reduced.

Now, where did Jim Sinclair get it in his head to say that government should be using its surpluses to give raises to underpaid workers? Excuse me, Jim. This is a raise to all workers, not a select few, but especially the ones on very low incomes.

Let me give you a math lesson. If a worker makes \$16,000 a year and was paying tax, but now they aren't, it gives them more money. Hmm. Interesting. If you are now getting to pay less tax if you earn up to \$26,000, that gives you more money. I don't think that's very hard to follow. I know it is Jim's *modus operandi* to be critical regardless. In fact, that's what he is paid to do. But get with the program, Jim. Perhaps get informed before you speak.

Now I'm hoping that sometime soon we will see the real plan of the NDP. But as that does not seem to be forthcoming — and I think we've been infinitely patient — let's take a look at their think tank, the Canadian Centre for Policy Alternatives. They would raise taxes. For example, you would see a nurse's income tax go up to 40 percent. They do not believe in getting out of debt. A whopping \$1.7 billion that we are paying down on debt realizes \$125 million a year on interest. We all strive to do that in our lives. We love to pay off those credit cards. I hate to see those interest payments at the end of every month. In fact, a lot of us try to duck in there quickly before we pay them. We're doing the same thing. We're realizing \$125 million a year in interest savings every year.

However, the NDP would not do that. They prefer to pay the interest charges. That is what the Canadian Centre for Policy Alternative's suggestion is. That sure doesn't make much sense to me. I don't think it makes much sense to the taxpayers and the residents in my riding.

I am very pleased to see increased spending on social programs. I am disappointed, actually, that the opposition sees this as cynical. What is cynical about spending money on social programs? Persons with disabilities receive the largest increase ever, and they deserve that. They live on a very small amount of money, and they deserve that. They can also earn up to \$400 a month extra if they are able to do any work. You cannot be cynical about that. It was the right thing to do, and that is why we did it.

In my riding many people are employed in the tourism sector, so I was very pleased to see more money going to the new tourism fund — \$81 million, I believe, over the next three years. Tourism is big business here, and we need to continue to compete on the world market. The world needs to know that we are the place to come and visit. This new fund is great news for all of us.

[1020]

Small business, which is truly the backbone of our economy — and I have hundreds of small businesses in my riding — also gets help. We raised the threshold for

small business income tax to \$400,000. We had already raised it from \$200,000 to \$300,000, and with this new raise I think we will see an even bigger growth in small business. This increase will help them even more. Again, this was the right thing to do.

Let's just quickly recap our commitment to the environment. There is \$25 million for environmental cleanup, including the Britannia minesite; \$6.5 million for the habitat conservation trust fund; \$5 million for the living rivers trust fund; \$8 million to establish a new B.C. Trust for Public Lands to engage the private and the not-for-profit sectors in acquiring private lands where there is significant conservation purpose; 50 new conservation officers and park rangers, and 150 new members for the B.C. conservation corps.

These measures — when added to the 37 new world-class parks created by this government; its action plan for safe drinking water; the \$2,000 cash incentive for the purchase of a fuel-efficient hybrid automobile; and elimination of provincial sales tax on energy-efficient furnaces, boilers and heat pumps — prove that everything we are doing is right. We are doing the right thing.

I have been involved for many years with the Victoria Film Commission. I was originally the vice-president of the Victoria Film Commission. We know that film is a really good business in our province. When we stepped up to the plate and increased the film tax incentive for domestic and foreign productions, that was a really good thing to do. We heard what the film industry had to say. We came to them and discussed it and agreed that we wanted our industry to continue growing. This government was very responsible for that, and I'm very proud they did that. People in the film industry are very pleased.

It creates wonderful employment. It creates employment for people that don't necessarily want to go to university but want good, high-paying jobs. In the film industry, that is attainable.

Here we are with a great new budget. We have eliminated or lowered taxes for low-income people, and the opposition shout: "Why don't you give a raise to the poor?" We have raised health care spending more than any other government, and the opposition shout: "Why did you cut health care?" We increased spending per student in schools, and the opposition shouts: "Why did you cut spending per student?" I guess that is life in politics. With certain folks, you just can't win.

I'm a very logical person. I'm very black-and-white in lots of things, and I could never figure this out. I could never figure out one side saying we didn't when we know we did. It just doesn't make any sense at all. At the end of the day, we all sit in these chambers, and I really believe that we are here only for the people we serve. I know that everything we have done helps those.

I really find it quite frustrating sometimes, I must admit, sitting here listening and then going out and reading stuff in the paper. I think: where do people come from? It doesn't make any sense to me. My chil-

dren aren't very political, actually. When I sit and explain it to them, they shake their heads. It is confusing.

What we have done over the last four years is the right thing. We sat down and figured out what we were going to do with the mess. We didn't.... Well, we did harp on about it, actually — quite often — but the truth is that there was a mess. It wasn't a case of whether there was or there wasn't. There was.

We whinged and whined and complained, but by the same token, we got on with it. We got on with it, and we've turned the economy around. We have produced this new budget and a future for everybody in British Columbia.

In my opinion, the people of B.C. will ignore and just try to get through all of the rhetoric. They will read for themselves and make their own judgments on the economy and, hopefully, see that we really have gone through immense change.

[1025]

The economy really has turned. That we did that proves we are going to be moving into a golden decade. That is a very good feeling. It's a very good feeling for my constituents, and it is a great feeling for my kids and my family. I am very proud to have been a part of this process.

**Hon. J. van Dongen:** It's my pleasure to address this House today in my role both as the MLA for Abbotsford-Clayburn and as Minister of Agriculture, Food and Fisheries. I'm honoured to address the '05-06 budget as proposed by our government.

One of the things that I'm most proud about is being part of a government where we have had the fiscal responsibility to lay out a plan and the willingness to make the difficult decisions to deliver on that plan, as well as the dedication to stay the course, to work through the plan as it had been laid out and the commitment to avoid distractions and straying from the plan with ad hoc and knee-jerk reactions.

Now we see the merits of having a plan and sticking to it. Our plan has taken root and is bearing fruit and giving us the choices and giving British Columbians the choices that they need to invest further dollars in social programs. Our government's plan is helping British Columbia to realize its full potential in every field.

The enormous contribution of the Ministry of Agriculture, Food and Fisheries and our farmers, fishermen and processors has been recognized in the operating budget for next year. We have an increase of 7 percent in the budget, and I will address that in more detail.

First, I want to say that we can all see ourselves reflected in the government's overall vision and that vision for a great new decade ahead. It is no secret that the decade prior to 2001 has been labelled a lost decade for British Columbia. That's when British Columbia lost its leadership position as an economic driver in Canada. That's when we lost so many of our young, bright people to other provinces because there was no hope for employment here in British Columbia. That's when British Columbians lost confidence in their own econ-

omy, and major industry decided it wasn't worth the risk to invest further dollars.

We lost all of those things. We lost that investment support in the lost decade. But in the last three and a half years, we have been rebuilding confidence in our economy and the confidence of our people.

In 2001 the Premier told us to roll up our sleeves and put British Columbia back to work. We did that. We went to work and took a number of necessary steps to improve the investment climate and to get people working again. It was a lot like the cough medicine manufacturer that comes out and admits that the product tastes awful, but it does work. Because British Columbians made the sacrifices and worked with us as a government in the last three and a half years, we're able to make the choices we're able to make now.

The budget delivered in this House on February 15 will take us towards a new decade in British Columbia. Funding for health and education has not only been protected, but it has been increased very significantly — by more than \$1.8 billion in the last three years alone. B.C.'s economy is not only growing but diversifying and strengthening across a range of sectors, and we are once again leading the country in job creation. Our surplus this year will help us to make the largest-ever annual payment on the province's debt — a \$1.7 billion debt paydown.

[1030]

One of the things that I think is absolutely essential to good fiscal management is to manage debt levels. One of the reasons that I ran for office is to ensure good fiscal management. That record paydown improves our debt forecast and will help to offset our planned and new investments in the infrastructure B.C. needs to support continued growth — infrastructure such as schools, hospitals, roads and transit projects. In fact, our budget increases our capital plan by \$1 billion next year and \$900 million the year after that. Not only are these investments important to our future, but they are increasingly affordable, thanks to a growing economy.

Major credit rating agencies use taxpayer-supported debt to GDP, or gross domestic product, as one of the most important standards to gauge debt affordability. That ratio is forecast to fall from 18.5 per cent to 17.3 per cent by the end of March 2008, following the trend we've seen over the last four years of a decline in that ratio — again, indicators of improved financial performance by British Columbia.

At the same time, the budget for 2005 also provides \$6.5 billion over the next three years for increased ministry funding for health care, communities, children, education, public safety, economic development and the environment. Reflecting the ongoing service priorities of British Columbians, 71 per cent of this new funding is directed to health care and education.

When the Legislature reconvened this year, our government set out five great goals for the coming decade that we're about to enter: (1) to make B.C. the most educated, most literate jurisdiction on the continent; (2) to lead the way in North America in healthy living and physical fitness; (3) to build the best system of support

in Canada for persons with disabilities and those with special needs, children at risk and seniors; (4) to lead the world in sustainable environmental management, with the best air and water quality and the best fisheries management — bar none; and (5) to create more jobs per capita than anywhere else in Canada.

These are ambitious goals; they are high standards. But they are goals worth pursuing and worth pursuing vigorously and aggressively. Starting with Budget 2005, they are goals that we can and will achieve. The coming decade will be a time of unprecedented improvement in all of our lives — a time of growth, a time of accomplishment, a time of achievement for all the people of British Columbia.

Every economic indicator and every forecaster says that B.C. is back in business. Over the last three and a half years, we have had to make difficult decisions across government, but British Columbia will have a sound future because we took responsibility to build a sound economy and get the province to a point where we didn't spend more money than we took in, in revenue.

Most importantly to me, our government believes rural and coastal communities deserve to participate and benefit from that economic recovery just as much as any other part of B.C. Agriculture, especially, has come through a rough two years with the twin unprecedented crises of BSE and avian influenza.

Our government has given significant support to these sectors in the past year, financially and with staff resources, to keep B.C.'s issues high on the radar federally and to work with our industry to get them back into recovery mode. We have worked closely all along with the Canadian government and the poultry industry to address the outbreak of avian influenza, and we are now taking measures to ensure that poultry biosecurity and emergency response are enhanced.

I was recently in Washington, D.C., with the federal Agriculture minister and my provincial colleagues. We were there at a time when the news was offered by the Secretary of Agriculture that the U.S. border will open on March 7 to live cattle under 30 months.

[1035]

Here in Canada our meat-processing system has stepped up to the plate to meet new demands and requirements and to boost our ability to process our own meat and meat products and not to rely on live cattle exports to the United States to the same extent.

We have weathered the storm, and now we are able to raise our sights and look to a broader horizon. The vision of the Ministry of Agriculture, Food and Fisheries in our service plan is for a competitive and profitable industry that provides safe and high-quality food for consumers and export markets.

I'd like to discuss some of the things our government has been doing and will be doing with the help of the ministry to ensure that British Columbia remains the best place on Earth to live, to work and to play — I should also say to make British Columbia the best place on Earth to grow our agricultural and fisheries and food industries.

Agriculture, fisheries and food processing are going to remain a strong and important part of the future of British Columbia. Despite the challenges that we may face, there are many more opportunities that will allow us to thrive in the future. The vision outlined in our government's Budget 2005 will do that, as British Columbia moves beyond recovery to a new age of discovery, growth, opportunity and far-reaching and forward-looking global involvement.

The member for Delta South gave a passionate speech in this House earlier this week about why we need to value our food producers in this province. The member for Delta South was saying that it is time to think about the industry as a whole and look at government's role in planning for the future with food producers.

She said: "It's time that we went out to the people in this province and discussed how agriculture, food and land management work in their daily lives." I agree with the submission made by the member. I look forward to working with all of my colleagues, including the member for Delta South, in long-term planning and continued work on a comprehensive plan for food production in British Columbia.

We will continue to build on the work begun by the agrifood outlook forum last year in June that brought together the full range of players in B.C.'s food-producing sector, from farmers to processors to retailers and consumers. We will engage British Columbians in a dialogue about big-picture questions, such as how we manage B.C.'s growth while still fostering and nurturing our local food supply.

I know that question, for example, is one that is asked often in the member's own riding in Delta South. How do we balance competing needs for water? How do we deal with rural-urban conflicts?

I'd like to lay out a bit more why British Columbians should and can help map out a strategic plan for the future of our food supply and the future of our cities and communities.

B.C. agriculture, food, seafood and beverage sectors are important contributors to the B.C. economy as well as B.C.'s overall well-being. Not only do these sectors produce a huge variety of safe, healthful food for British Columbia and the world, but they generate significant income and employment at many levels in the food system.

Both the agriculture and the seafood industries are very diverse. We produce more than 200 agriculture commodities, and 100 species of fish and shellfish are harvested or raised in B.C. waters. This diversity provides a strong base for the industry, with many opportunities for adding value, niche marketing and providing unique experiences such as those made available through agritourism.

Our diversity means our sectors can adapt to change rapidly. They are diversifying markets, embracing new technologies, adding value, reducing environmental impacts, establishing new quality standards and creating jobs. Some of these sectors are growing very rapidly, such as greenhouse vegetable exports,

organics, functional foods and nutraceuticals and shellfish, to name a few.

[1040]

Agriculture, food and fisheries reach across the province and up and down the coast and touch every British Columbian. More than 60 percent of farming and processing takes place in the highly populated lower mainland and Fraser Valley regions, which have direct rail, air, road and seaport links to the United States and overseas.

Commercial and sport fisheries, aquaculture and fish processing all contribute to small communities and coastal towns across the rest of B.C. Many people don't know that we have approximately 85 fish-processing plants in the province providing jobs, an economic base and stability in rural and coastal British Columbia.

These are stable sectors. Agriculture, food and fisheries are less affected by economic downturns than B.C.'s other resource-based sectors. They've stayed steady or grown while other industries have cycled for various reasons.

Our gross farm receipts in the last 25 years have grown incrementally virtually every year, providing stability to our communities. The numbers are very impressive. The B.C. food and beverage industry.... The processing industry generated \$5.25 billion a year in sales, and \$1.7 billion of that was exported. The processing and manufacturing sector employs some 27,000 people. Food processing is the second-largest manufacturing industry in British Columbia after wood products. B.C.'s primary agricultural industry produced almost \$2.3 billion worth of product in 2002 and employed 30,000 people.

The seafood industry produces wholesale values of over \$1 billion a year and provides jobs for 15,000 full-time and part-time people. More than 90 percent of seafood production is actually exported. Three other food chain sectors generate considerable sales and employment in the province, and they are.... Wholesale food distributors — \$6.7 billion in sales, employing 17,000 people. Food and beverage processing makes up more than 50 percent of B.C.'s light manufacturing sales. The retail grocery sector has sales of \$9.8 billion and 68,000 jobs — more than half of all B.C.'s retail store sales. The food service sector, including hotels, restaurants and institutions, has sales of \$6.8 billion and more than 130,000 jobs.

Overall, the total agrifood- and fisheries-related industries contribute some \$21 billion to consumer sales. They support more than 270,000 jobs in British Columbia. That is one in seven working British Columbians. Our agrifood and fisheries industries are major players in the B.C. economy.

I'm pleased that the 2005-06 provincial budget shows an increase in the Ministry of Agriculture's budget from \$43 million in '04-05 to \$57 million in '05-06. The majority of this increased estimate of \$10.6 billion does reflect a change in the way the budget is stated, to reflect generally accepted accounting procedures. One of the real merits of our budget legislation is that the accounting is governed by generally ac-

cepted accounting principles as approved by the auditor general.

These funds of \$10.6 billion have previously been separately accounted for in a fund to support crop insurance payments. From '05-06 on, they will be reported as part of the ministry budget as a special account.

The actual increase in the ministry's budget is \$3.15 million, or 7 percent, over the current fiscal year. The \$3.15 million increase represents lifts of \$100,000 for increased biosecurity measures and surveillance; \$2 million to support the activities of the recently announced Pacific Salmon Forum; \$350,000 for enhanced disaster response capability at the provincial Animal Health Centre; \$250,000 for the ministry's Internet-based InfoBasket program; \$300,000 for programs to strengthen fish health; and \$150,000 for B.C. agricultural fairs and exhibitions.

[1045]

As well as the 7 percent lift in its base budget for the coming fiscal year, the ministry also requested and received an additional \$14.5 million over our base in '04-05 from the government contingency fund. It has received \$27.2 million in supplementary funding — a total of \$41.7 million in extra support this year to agriculture to deal with some of the major unprecedented crises that our industry faced. Much of this additional investment in the current fiscal year addresses the impacts of BSE and avian influenza, but it also provides support for activities aimed at expanding and diversifying the agricultural sector in the coming year.

I'd like to tell this House now about the role of agriculture and food in a sweeping new health and fitness program we recently announced for all British Columbians. Called Act Now, the program will be the most comprehensive health promotion program of its kind in North America. Its aim is to encourage and support British Columbians in making the healthy choice the easy choice.

Not only will it focus on tobacco use reduction, but it will target the alarming health costs of obesity by providing our adults and our children with information and support in making healthy eating choices. It has set as a goal to increase by 20 percent the proportion of British Columbians who eat the daily recommended level of fruits and vegetables. We will provide a special focus on the high quality and health benefits of locally grown B.C. fruits and vegetables.

We have long argued that there need to be stronger connections between the activities of our various agencies and ministries. Through the joint efforts on the part of our ministry, the Ministries of Health and of Education and other partners, such as the B.C. Agriculture in the Classroom Foundation, we will work to encourage better eating habits for our students and to expose them to our own high-quality B.C. fruit and vegetable products. What better way to bring together the best in health, education and food than to focus on helping our children make better and healthier food choices?

The details of the program are still being finalized, but it is obvious that it will require and involve the

creativity of producers, processors and distributors working with the B.C. Agriculture in the Classroom program and the various ministries involved, to meet the challenges of encouraging healthier eating habits. I have every confidence we can rise to meet that challenge and see it as a unique opportunity to let students and their families know what we have always known. When it comes to healthy food, you can't beat B.C.-grown food products.

I want now to talk about some of the goals that we as a ministry have in contributing our share to the five great goals that our government has set out.

First, to make B.C. the best-educated, most literate jurisdiction on the continent by further increasing funding for advanced education by \$132 million over the next three years. We will work to see that this new funding supports agriculture and fish sector priorities and research needs. We will work with the new Thompson Rivers University in Kamloops, UBC Okanagan and the World Trade University in Chilliwack to ensure that the interests in agriculture, agri-food, bioproducts and agritourism are reflected.

Goal No. 2 is to lead the way in North America in healthy living and physical fitness by supporting prevention and wellness programs and to increase awareness and prevention measures. The Ministry of Agriculture, Food and Fisheries will partner with industry in delivery of the eating healthy components of the Act Now B.C. initiative, as I've indicated. We will also ensure that B.C.'s interests are met in the development of the national food policy framework during '05-06.

[1050]

We will deliver the 15-point avian flu action plan that was developed as a result of the conference that we co-sponsored in October with our federal and industry partners. We do have an interim emergency response plan ready today.

We will deliver the food safety and quality program with emphasis on risk identification, tracking, tracing, HACCP certification, on-farm programs, wine standards implementation and meat inspection transition.

Goal No. 4 is to lead the world in sustainable environmental management, with the best air and water quality and the best fisheries management, by taking major new steps to improve water and fisheries management. Our ministry has a leading role to play in water quality and fisheries management. We will also work with the Department of Fisheries and Oceans as they work toward implementation of recommendations for fisheries reform, as laid out in the certainty for all treaties and transition report done by Dr. Peter Pearce and Don McRae.

We will develop a provincial fisheries and aquaculture strategy to define objectives for sustainability and success of our commercial, wild and farmed recreational and first nations fisheries, as recommended by the auditor general of British Columbia.

We will support the Ministry of Water, Land and Air Protection in appropriate implementation of species-at-risk legislation, especially in relation to commercially significant fish species. The Ministry

of Agriculture, Food and Fisheries will pursue dialogue with DFO, as we have been doing, on models for joint decision-making and to increase the number of fisheries managed in British Columbia through joint decisions.

We will develop policy and regulatory options for improved water management that also support viable agriculture and fish industries. Our ministry will continue implementation of the environmental farm planning program, and we will continue to develop a strategy for improving environmental management of animal agriculture in the Fraser Valley.

Let me also tell you a little bit more about the potential of the growing bioproducts industry. Bio-based energy, chemicals, compounds and materials hold promise for B.C.'s renewable resource industries. They are becoming both an environmental and a competitive imperative. They can replace traditional products with agri-based bioproducts such as biofuels and building materials. We have businesses in British Columbia right now looking at the potential new opportunities to use some of our waste products in bioproduct manufacturing.

We've recently seen the launch of the B.C. Bioproducts Association, which sees agriculture's potential to contribute to clean energy — such as Okanagan Biofuels — and are moving agriculture beyond food, feed and fibre. As part of meeting this throne speech goal, we will support research and commercialization of these alternative energy initiatives, such as animal waste to energy and the development of agriculture-based biofuels.

Another great goal is in tourism and in the opportunities of our Asia-Pacific gateway and the 2010 Olympics. How does the Ministry of Agriculture, Food and Fisheries fit in with that goal? B.C. farmers, ranchers and orchardists are already catering to tourists and travellers who are looking for unique experiences — for example, tourists joining cattle drives or buying produce right on the farm that grows it.

Wine ambience experiences have become an integral part of the grape and wine industry in the Okanagan, on Vancouver Island, in the Fraser Valley and, I should say, in other parts of British Columbia — even in the Kootenays. B.C.'s new wine standards will see our industry better positioned to open new markets and increase sales, both domestic and export.

Direct farm sales are becoming an important addition to many farm operations with the building of on-site sales outlets and bistros that serve local products and beverages. The 2010 Winter Olympics will present a unique opportunity to showcase B.C. and B.C. products to the rest of the world.

[1055]

Goal No. 5 is to create more jobs per capita than anywhere else in Canada by reviewing the competitiveness of all B.C. sectors and by taking international marketing efforts to a higher level. Our ministry will oversee changes to regulated marketing in relation to specialty production, such as organics. We will ensure that agriculture and fisheries interests are represented

in the new B.C. competition council and will work to ensure that agriculture and fish interests are represented in the new Asia-Pacific trade council.

I remember the time 20 years ago when we had to really fight to get one box of blueberries into Japan. Now it is a routine activity to export berry products all over the world. We will work to ensure that our agriculture and fish sectors benefit from federal and provincial export development initiatives.

Mr. Speaker, I'm proud to stand here as a member of this government and to support the budget that was tabled by our Minister of Finance on February 15. Thank you for the opportunity.

**D. MacKay:** I'm pleased to stand up here today and support the budget that was tabled on February 15. I'd just like to read a few comments from it.

"We're looking at massive tax increases. Overall, we're going to increase income taxes by a whopping 27 percent and corporate taxes by nearly 70 percent. We're not going to balance the budget until 2010. Instead of balancing the budget, we will run deficits till 2010 and force B.C. taxpayers to pay an additional \$120 million in interest on the debt. We're going to spend more than \$3 billion more than we budgeted for, and we also plan on a deficit. And by the way, in the next ten years we will double the debt as the NDP did in the previous ten years, from \$17 billion to \$34 billion."

Actually, I picked up the wrong piece of paper. I'm actually quoting from the Canadian Centre for Policy Alternatives, which would have been the NDP budget of February 15, had it not been for this new government that's in here today.

I heard the member for Victoria-Hillside say why she got involved in politics, and I think I can probably say I got involved in politics for the same reason. I saw what was happening to the finances of this province, and it was causing me a great deal of concern when I saw how much was being spent just to service the interest on that debt every day. When you look at the young generations that are coming up behind us, we were going to saddle them with a huge debt. So I was pleased when I was nominated and elected to be part of a team to bring our fiscal house into order and control the spending that the previous government didn't seem to care about.

Yes, there were some tough decisions. People said we couldn't do what we said we were going to do, and we have. We have actually completed about 97 percent of all the commitments we made to the people of this province when we were elected. Those decisions that we made were not fun times. They were difficult times not just for the MLAs but for the people of the province. I don't know how many times I flew home to Smithers on the aircraft and really wondered if, in fact, what we were doing was really worth the hassle we took from the public. Today, you know, it was all worth it.

I'm really pleased when I go home now and talk to my 12-year-old granddaughter. When she sees me coming up the driveway, she comes running out of the house and gives me a big hug and says: "Hi, Poppa." It

was worth it. You bet it was worth it. It was worth it for my grandchildren — my 12-year-old granddaughter and my two grandsons, who are younger.

It was worth it for all the young people in this province, all the young kids in the K-to-12 education system today and those young students in the post-secondary education system, and for the rest of the people in the province. We couldn't continue to spend as we did under the previous administration, so February 15 was a great day in this province. We heard a budget brought down by our Finance minister that said that spending was under control and we had a surplus. That was a great day in this province.

To give you some idea of how fast this province has recovered under a new administration, on Sunday I flew down on Air Canada to Vancouver and tried to get over to Victoria. I couldn't get over to Victoria on Air Canada, because the flights were full. I couldn't get over on Pacific Coastal, and I couldn't get over on the Helijet. I had to take a taxi from the Vancouver International Airport to the harbour in downtown Vancouver and fly over on an Otter aircraft to get over to Victoria. When I checked into Harbour Air at Vancouver, a young man took my suitcase out of the trunk of the taxi I was travelling in, and he carried it into the terminal building for Harbour Air. He looked at my name on the bag and said: "Wow, what a great budget that was." He said: "Thank you. Thank you for that budget."

[1100]

[J. Weisbeck in the chair.]

Yes, it was difficult. It's really difficult, when you start looking through the budget that was tabled on February 15, to target just a few of the items in there, because there is so much good news.

I should remind everybody that in 2001 British Columbia became a have-not province. We had the worst economic growth and the worst job growth in all of Canada. Housing starts declined for ten years under the NDP, and we faced a \$3.8 billion structural deficit.

They made promises. They admit that they had no idea how they were going to pay for them, and they made promises they had no intentions of keeping. That's not what we did in our *New Era* document. As I said, we've committed to and completed almost 97 percent of our promises to the people of this province.

Let's look at the economy today, just a couple of months away from the next election that will be taking place in this province. Look at the economy today. In three and a half or almost four years since we became government, we have created over 200,000 new jobs. That's a 10 percent increase since 2001. There are some benefits to creating so many new jobs in this province. Look at the social assistance rolls in this province: 30,000 fewer people are drawing social assistance today because there are more jobs out there. That has got to give a huge savings to the social programs for the people of this province.

We've seen the employment rate increase. The actual number of people working throughout this prov-

ince has increased. By sector: in the Thompson-Okanagan part of this province we saw a 15.4 percent increase in the employment rate; in the Cariboo we saw a 5.9 percent increase in the employment rate; in the northeast and the Kootenays we saw a 4 percent increase in the employment rate; in the North Coast-Nechako, which is where I live, we saw a 3.4 percent increase in the employment rate. I suspect a good percentage of that is probably the result of the mining sector.

The employment rates have increased. The unemployment rate provincially is down to about 6.2 percent in British Columbia. Those are unemployment rates that we haven't seen for two decades.

One of the other interesting things in our budget... We've finally gotten on track. We have a surplus. We're not going to spend all of it. We're actually going to spend some of that money and put it toward our debt. We're going to spend \$1.7 billion to reduce the huge debt that this province incurred under previous administrations — and half of that under the previous government.

Paying down the \$1.7 billion is going to save us about \$125 million in interest payments for new programs. Imagine paying down the debt and having \$125 million to pay for new social programs that the people of this province said they want, and in a lot of cases they need. We do know how we can pay for them, because we've planned and we've done some good fiscal management. We've planned for surpluses in the years out.

Education was one of the commitments we made in 2001 to protect the funding for and to improve as the economy of the province grew. That was in our *New Era* document in 2001. That's one of the commitments we made on February 15: to put more money into the education system. We're putting another \$622 million into education, including \$150 million in fiscal year '05-06. This amounts to — in total since we've been government — an increase of \$2 billion more in education. That's \$2 billion more in education since there was a change of government in 2001.

We do have a great education system in this province, and I can attest to it. It's not just the K-to-12 but the post-secondary. My daughter started studying at home four years ago and graduated in December of this year with a teacher's certificate. She's now working hard on her teacher's degree. I suspect she's probably hard at it this morning, and I wish her well.

[1105]

Let's look at health care, which was one of the other areas that we protected when we did the core reviews and said that we had to find some ways to cut our spending in this province. The two commitments we made were to protect were education and health care.

Health care. In 2000-01 we were spending \$9.542 billion on health care. In '04-05 that jumped up to \$11.8 billion. That's 42 percent of our entire provincial budget going to deliver health care to the people of this province. We've projected that by the year '07-08 we will be spending \$13.3 billion on health care — huge sums of money.

Will it ever be enough? I don't know. I don't know if it will ever be enough to deliver health care fairly and equitably around our province. We don't seem to get an equal share because of the associated extra travel costs when we do have to travel from the north down south to get the treatments that aren't available to us in the northern part of our province.

Let's look at Pharmacare. That's probably the fastest-growing segment of the health care system in our province. We've committed another \$465 million for Pharmacare. We should remember that Pharmacare increases at about a rate of about 13 to 15 percent a year — huge sums of money having to go into Pharmacare to look after us as we get older. Goodness knows we are all getting older, and we're living longer. Pharmacare is getting to be a huge budget item for all provincial governments.

One of the other things we have done in the health care system is provide another \$100 million for ambulances around the province. That's really good news for those of us who live in the north. We've got defibrillators in all the ambulances. We're training people to be able to look after people when the ambulance does pick them up and take them to a facility. That's good news for everybody in the north, because we do rely on ambulances to transport us a lot more than they do in the lower mainland.

There are other things we're doing for people to ensure that the health care they need is going to be available for them in the future. We've always had a problem attracting doctors and nurses — medical people, generally — to our province. Well, for the first time ever, the University of Northern British Columbia is now training doctors. We are actually training doctors in Prince George in concert with UNBC. Just to give you an example of the numbers of medical students enrolled in 2003-04, 504 students entered the medical profession. It is projected that by 2008-09 the number will increase to 896. Now, that's called planning. That's planning for the long-term care of the people of this province as we get older. That's good news for everybody.

These people, once they're trained in the province, are going to stay in our province. To help them stay in the province, we have also provided forgivable student loans for people in the health care system who want to serve in underserved parts of our province. We will forgive the student loans based on the number of years they serve in those underserved areas. It works out to about a 20 percent reduction in their student loans for every year they serve in those underserved areas. So once again, when these people come out and work in those smaller communities and have to stay there for four or five years to write off their student loans, chances are that they're going to fall in love with those little communities and stay there and provide the health care we want.

We're also providing new diagnostic equipment, which is so necessary in today's society, in the health system. We've got \$200 million more for critical care services for cancer, kidney and transplant patients, and

we've got better access to hip and knee replacements, just to name a few. These are some of the things we're doing with this new budget, and we're going to be able to pay for all of it without adding any more debt.

Let's look at forestry for a minute: \$266 million for forestry initiatives, including \$101 million to address the mountain pine beetle infestations and forest fires. The mountain pine beetle infestation is going to destroy about 80 percent of the lodgepole pine in our province before that thing has worked its way through the forests.

I just want to digress for a moment and talk about the federal budget that came down yesterday. It was disappointing not to see any benefits there. There was no funding to help offset the huge reforestation costs that the province is going to incur with that problem. It has a direct impact on the Kyoto accord.

[1110]

I notice that the federal government is going to provide \$5 billion over five years to look at climate changes. Well, one of the things that they'd better wake up and realize is that the climatic changes that are going to be coming to the front because of this mountain pine beetle infestation are just starting to surface now. The Alcan people tell me that the inflow into the Nechako reservoir is the highest they've ever seen for this time of year. That's quite unusual. I think the reason that's happening is that there's so much dead forest out there that there's no water being absorbed by those trees. What happens to the water that's not absorbed by the trees? It's flowing into the Nechako reservoir. It's going to have some huge impacts this spring.

The carbon sink that the federal government signed onto for the Kyoto accord is not going to be there. We don't have the carbon sink that's necessary because of the huge dead forest we've got out there. So I was disappointed that the federal government did not come up with some funding to help us address the reforestation issues for that mountain pine beetle.

The fact that we provided \$101 million to help mitigate some of the problems that some of the smaller communities are going to be facing down the road.... I just have to look at the Vanderhoof area and the Quesnel, Williams Lake, Prince George, Burns Lake, Houston and Smithers areas. We're going to have some difficult problems to face down the road, five or ten years from now, when those trees that we're unable to harvest start falling down and they lose the value. We're going to have huge tracts of lands. The way we do forestry today is going to have to change. Most of the wood up there, as I said, is the lodgepole pine, and that's what the majority of these sawmills up there rely on and process.

There are about 30 communities that are going to be impacted by this and about 25,000 families. It is a huge, huge cost to the province. We've done some planning, and we've already provided \$101 million to help mitigate some of those long-term problems that we're going to be facing in our part of the province.

The budget has some other good news in it. The taxpayer-supported debt has started to decrease from

20.5 percent in 2001-02, and it will decrease to 17.3 percent in '07-08. I should remind you that under the previous administration those numbers were going the other way — the taxpayer-supported debt was going the other way; they were adding to it. We as a government, with this new budget, are actually watching the taxpayer-supported debt portion decrease.

Another sign of a good economy is the housing starts that are taking place in this province. British Columbia is leading Canada in housing starts. I just want to touch on a few of the housing starts and the numbers. The numbers are quite staggering. In 2003 B.C. saw a 21 percent increase from the previous year. From 2002 to 2003 there was a 21 percent increase in housing starts. Compare that to Alberta, because we are always compared to Alberta and Ontario. Alberta actually saw a decline of 0.7 percent from the year previously. Ontario saw a modest 1.9 percent increase. British Columbia was 21 percent.

In 2004 British Columbia saw a 23.9 percent increase in building. The value of building permits in our province reached \$7.9 billion in new investment. That would show a great deal of confidence in this government and this budget and our fiscal responsibility. B.C. saw a 15 percent increase last year, compared to Canada at 8.2 percent. We are building at twice the national average.

[1115]

One of the other benefits to this new budget and our ability to pay for it is our MSP premiums. For people, as of February 15.... Sorry. I might be wrong on the implementation date of that. Those making a net income of \$20,000 or less will pay no MSP premiums — good news for a lot of people on low and modest incomes. Those who earn up to \$28,000 are going to pay lower premiums for MSP. Seniors, senior couples and families of four with a net income of \$29,000 or less are not going to pay any premiums — good news for our seniors again. Those whose net income is up to \$37,000 are going to pay lower premiums. Those are good news items for the seniors of this province who think that our government has been mean-spirited and hasn't done much to look after them. Those are good news stories.

One of the other interesting highlights of the budget that caught my attention was the \$25 million for the B.C. geoscience centre. The mining industry is on fire in this province. One of the things that the mining sector relies on is good geoscience to help them look for the minerals, because they are hidden away underneath the surface on which we walk. The geoscience centre has been well received by the mining sector, and I expect we will see continued activity in our part of the province.

A good example: in 2000, mining exploration dropped to about \$29 million. This past year the amount of money spent on exploration in our province increased to \$130 million. That's a 400 percent increase. That is, I would suggest, a result of our government's initiatives to get rid of red tape and make our province competitive with other jurisdictions. That's a huge increase.

The mining industry spent \$130 million on mining exploration in our province. I'm fortunate to live in the northwest part of our province, where almost half of that money was spent on mineral exploration. That has created a great deal of activity, a great deal of enthusiasm, for the people in my part of the province. It's really encouraging now to travel through there and see what is happening, because the mining sector.... I shouldn't have to remind anybody that we all rely on the minerals that come from our ground in our day-to-day lives.

I flew home Tuesday morning to attend a workshop called "Rock Talk," which involved the mining people. The Smithers Exploration Group put on a small rock talk, and they invited people from around the province to come there. It was attended by about 100 people from junior mining companies. The excitement and the enthusiasm that I saw at Smithers is a carry-over from the Cordilleran Roundup conference that was held in Vancouver, where 5,250 people from around the world came to British Columbia to look at what the province has to offer and why British Columbia is back on the mining scene.

The enthusiasm I saw in Smithers is just a carryover from what I saw at Vancouver. I can tell you that we're going to see a wonderful summer in our part of the province again, with drilling and further exploration and a mine that is scheduled to come on line in the latter quarter of 2006 or early 2007.

The other encouraging thing about the mining sector.... The mines are normally located in remote parts of our province. That's where we hear the story all the time about the unemployment rate being so high — 90 percent unemployment rate. These mines are opening up in these remote parts of the province. The mines are willing to hire locals that live up there.

Mining is cyclical, and I shouldn't have to remind the people of my riding. Mining is cyclical, and I think the province knows that. We are reaching an apex at the mining cycle right now. Those people in the northern part of our province shouldn't wait and sit on their hands while this opportunity goes by them and create problems for the mining industry.

We have environmental review processes that either approve or turn down mines as they want to open in our province. I'm encouraging people in the northern part of my province to take advantage of these opportunities, because they don't come by — maybe once in a generation. So take advantage of it today.

One of the other interesting items in the budget was the mining exploration tax, which was one of the main drivers allowing mineral exploration to take place. It was due to expire in 2006. We actually extended that for another ten years to 2016, so that's great news for those investors who want to invest in the mining sector.

[1120]

When I talked about the mining sector and the exploration that's going to be taking place this summer, one exploration camp that comes to mind is the Galore Creek property. This is just an exploration camp.

They're going to have 175 men in there this summer. I'm sorry. I should qualify that and say "personnel," because I suspect there will be women in there as well. I know a lot of the geologists are women, and I imagine some of the people that will be working in the camps will also be women. So, I would like to qualify that by saying personnel — but 175 people on an exploration camp.

This Galore Creek property is a huge deposit, and they continue to look and expand that ore body. That's just one camp, and there are numerous ones going on up in the northwest part of our province. I look forward to another exciting summer and a great deal of economic activity in my riding.

There are also some benefits in there for run-of-the-river projects, hydroelectric projects. I happen to have one on the Iskut River. It's a 125-megawatt power project that is scheduled. It's being built today, as we're speaking. This project is a \$250 million independent power project. It is going to take some water from the top of the Iskut canyon, divert it through a 3.5-kilometre tunnel and put it back in at the lower end of the canyon, to produce 125 megawatts of power.

At the present time the apex for the B.C. Hydro grid is at Meziadin Junction. This project is about 200 kilometres north of there. That's exciting news for the people that live up there year-round. It's exciting for the mining sector, because they're finally going to be able to access some power to run these mines, and goodness knows the mines in our province consume a large amount of power. In that budget there was some tax relief for penstock piping and other components that are used to generate power in these power projects.

I could go on for a long time here talking about the great news in Budget 2005 that was delivered February 15. I think I have probably wandered on long enough and spoken long enough. I'm sure there are others in the House that would like to stand up and present their views on the budget.

I have to tell you: it is a good news budget. Remember my opening comments about what the NDP's budget would have looked like on May 17. I stand here and I support the budget as presented and look forward to that golden decade. I know my children look forward to that golden decade, and so do my grandchildren. I support the budget.

**R. Sultan:** B.C. is back. It's official. It's official, because Toronto says so. Here's what the Investment Dealers Association, headquartered in Toronto, had to say about B.C.'s 2005 budget. I quote from their news release titled "Pro-Growth Strategy Pays Off for British Columbia":

"In its February 2005 budget British Columbia unveiled solid fiscal results for the current year, chalking up a substantial budget surplus of \$1.4 billion and projecting modest surpluses in the subsequent three years. This performance contrasts with the weakening trend in public finances elsewhere in Canada, with the exception of Alberta. Standard and Poor's raised the province's credit

rating to AA last November, and the other two agencies moved to a positive rating."

If I could just interject from the quote, it was the feeling at the dinner hosted by the IDA for certain MLAs that the other rating agencies were very close to further re-rating British Columbia bonds in recognition of the very, very positive accomplishments and outlook. Continuing with the IDA release, however, it says:

"Strong finances can be traced to a commitment to fiscal targets and disciplined public spending and a remarkable turnaround in economic growth. For the second straight year, growth was the second fastest in Canada. Another strong performance is expected this year."

This is the phrase that Ian Russell, the senior vice president of the IDA, who wrote this press release, I believe, was most proud of. I quote again:

"The province may have been shut out of the growth sweepstakes in the 1990s, but it is now in the vanguard of rebounding growth in this country."

That's Ian's favourite phrase. Certainly, I would agree.

[1125]

Continuing on with their press release:

"While the resource sector was the locomotive behind robust growth in the past two years — growth that has spilled over into retail spending and residential construction — improved business confidence has been a key factor behind rebounding economic performance. Modest but steady gains in capital spending have occurred in manufacturing, the knowledge-based industries and the service sector, illustrating the broad base of recovery and success of the government's fiscal strategy."

Final paragraph from the IDA:

"The Investment Dealers Association of Canada anticipates a bright economic future for the province as British Columbia stays committed to strengthening the business climate through further reductions in the small business tax burden and a lower sales tax, increased spending in infrastructure projects, such as the B.C. ports strategy, and continued buoyant resource markets. Business confidence in British Columbia is now the highest in four years and the second-highest in the country. A positive outlook for investment spending presages continued strong growth for the province, increased job opportunities and better hospitals, schools and roads for all British Columbians."

Well, I think we would all endorse what the IDA has said about British Columbia's performance and outlook, but I would like to go on to comment on what another observer of the scene here had to say on budget day — our friend Jim Sinclair. He managed to get tax breaks for the poor all muddled up on budget day.

In the budget, as we are all aware, almost three-quarters of a million British Columbians — about a third of the entire workforce in B.C. — will either pay no provincial income tax at all or will see their British Columbia income taxes reduced. More specifically, about 330,000 people earning up to \$16,000 a year will pay no tax at all, and about 400,000 earning up to \$26,000 will have their taxes cut. Add on reduced MSP premiums for a big chunk of the population, and it adds up to a big tax break for the poor. It has been skewed to the lower incomes. That's the point.

But here's what Jim Sinclair had to say — it was almost comical: "The government should be using its surplus to give raises to the underpaid workers." Jim, when government increases the size of the cheque received by the poor, isn't that a raise? Or consider this additional curiosity from Jim: "The government decided to share its wealth with the business elite rather than working people." Who writes this stuff for Jim?

My spies have an explanation for Jim's embarrassing disconnect from reality. He didn't bother to find out what was actually in the budget before he put his mouth in gear. In the high-security, pre-budget lockup — no cell phones, escorts to the washrooms — the old-fashioned people like journalists and industry representatives showed up at 8:30 in the morning, under the theory it might actually be helpful for them to spend a few hours digesting the one-foot pile of loose-leaf books which explain the budget.

They spent a lot of time and effort wading through all this stuff. Then they had a PowerPoint presentation from the Finance minister, and a question period for another hour. After all that tedious stuff was over, Jim and his pals showed up. They called a media scrum and immediately denounced the budget, in total ignorance of what it actually contained.

Unfortunately, their prepared rhetoric sounded uninformed, because it was. So here's the government's communications problem. Eliminate income taxes for the poor, and the opposition shouts: "Why don't you give the poor a raise?" Raise health care spending, and the opposition shouts: "Why did you cut health care?" Increase spending per student in the schools, and the opposition shouts: "Why did you cut spending per student in the schools?"

[1130]

Nobody said democracy was perfect, but one hopes the propagandists of the left would feel some occasional remorse as they repeatedly break the ninth commandment. If you don't remember the ninth commandment, maybe you should be going to Sunday school more often.

The other budget vignette that shall stick forever in my mind is the CBC man-on-the-street television interview with a gentleman who, when asked what he thought of the budget, complained that the government was not doing enough to help, for example, "that man over there." He pointed around and pointed down the street. The camera panned to a rather decently dressed person sitting on a pillow at the edge of the sidewalk. In front of them there was what my practised purchaser eye immediately judged to be a Starbucks venti — probably — latte, \$4.05 plus tax. Only in British Columbia.

How does the government's budget compare with the alternative budget prepared by the opposition? Well, the contrast is striking. We have to use the proxy in the absence of anything explaining their proposed program from the opposition. We have to use the proxy of the budget presented by their friends in the Canadian Centre for Policy Alternatives. I think that's a pretty good insight into what the thinkers of the left

would have in mind. Here's the striking contrast. This government is eliminating and cutting taxes for the poor. The opposition would raise taxes on working people. As the member for Victoria-Hillside observed in her remarks this morning — so passionately and so on target — nurses, for example, would see their taxes go up by about 40 percent. Can you believe it? They're actually proposing this.

Further contrast. This government is making a big operating debt paydown: \$1.7 billion. The opposition — again, as represented by Canadian Centre for Policy Alternatives — doesn't believe in getting out of debt. They would rather send tax dollars to the coupon-clippers and to the banks — those nasty people, the banks — instead of to schools and hospitals. Go figure.

Another contrast. This government is increasing social spending. The opposition calls this "cynical." Well, I guess... Would it be uncynical to cut social spending? Or from this left-leaning pundit, again on the CBC, the morning of the budget: "The big losers are the taxpayers." Welcome to *Alice in Wonderland* B.C. Once you jump through the looking glass, taxpayers pay more when taxes are cut and pay less when taxes go up.

Now, the pundits declared that the free lunch given to them during lockup was pretty bad. Maybe that explains why Jim Sinclair and his pals decided to skip it and arrived late. Their lack of preparation, unfortunately, showed.

What does the budget do for my constituents on the North Shore? Well, we saw some data recently which is a bit of a shocker. It turns out that 15 percent of my constituents are below the low-income cutoff. This belies the general impression that we all sit around in our hot tubs sipping martinis after 4 o'clock in the afternoon. We have a lot of low-income people on the North Shore, and we have a lot of low-income people in West Vancouver. They are going to benefit from the zero or very low — lower — income tax rates and reduced MSP premiums in this budget, not to mention the revised homeowner grant thresholds announced previously, which are terribly important for seniors living in these houses that have escalated in price almost beyond reason. These people are heavily represented among my constituents as well as those of other members of this Legislature.

Certain other features of the budget are of special interest to my constituents on the North Shore. These include the one-time grant of \$25 million to establish a new B.C. centre for geoscience, as the member for Bulkley Valley-Stikine has pointed out. This will help the mining industry overcome a decade of ruin, really, under the previous government. Many of my constituents are in the mining industry. I assure you of that.

[1135]

The increased tax credits for foreign and domestic film production have already been commented on by other members. It was essential to retain our competitiveness in the face of aggressive tax moves by Ontario and Quebec. It is estimated that perhaps we have 6,000 or 7,000 people on the North Shore working in the film industry alone.

The \$81 million for tourism to further our goal of doubling tourism revenue within a decade is of keen interest to my constituents, given the fact that we have some of the lower mainland's premier tourist destinations located within my riding. The \$3 billion in capital investments under the B.C. transportation plan to help reduce gridlock is certainly more than a passing interest to my constituents.

What does it do for the environment? Again, the member for Victoria-Hillside has gone through the list quite comprehensively: \$25 million for environmental cleanup, \$6.5 million for the habitat conservation trust fund, \$5 million for the living rivers trust fund, \$8 million for a new B.C. trust for public lands to be acquired where there is a significant conservation purpose, 50 new conservation officers and 150 new members of the B.C. conservation corps. On and on it goes. When you add it to the 37 new provincial parks created by this government, its action plan for safe drinking water, the \$2,000 cash incentive for the purchase of fuel-efficient hybrid cars and so on, it would be fair to label this budget, if nothing else, a green budget. Yet we see this stuff labelling the government as anti-environmental. It just does not add up.

Let's return to the important theme to wrap up this quick survey. Let's return to the important theme underlying any budget, which is the tax and revenue side. Let's compare what the British Columbia government has done to what the federal government budget accomplished yesterday, when it was announced in Ottawa.

In Ottawa, in the federal budget, on the matter of taxes paid by lower-income people, they raised the basic exemption to \$10,000 by 2009, eliminating taxes for 860,000 low-income people by 2009. By comparison, this government eliminated provincial income taxes for 330,000 people making under \$15,500 a year, and they eliminated or reduced taxes for a total of 730,000 people this year.

If the feds had followed the B.C. model, they wouldn't have eliminated taxes for 860,000 people; they would have eliminated taxes for 2.4 million people. By my books, they're moving in the right direction, but they're only — in this budget — one-third of the way towards what the B.C. government accomplished in its budget a few days ago. My response to the federal budget, in terms of low-income tax relief, is: good start. But that's all — only a start.

Let's look at the dollars. Let's look at it another way. The federal government's changes amounted to \$387 million in savings across Canada this year. The B.C. government's budget provides \$480 million in relief in B.C. alone. If the federal government had carried out our fiscal plan, we would have seen the federal budget with \$3.6 billion of tax relief this year instead of the \$387 million it actually delivered. I think they're about 11 percent of the way there by the British Columbia standard.

Taxes — while they fund necessary social programs, provide the essential health care and education upon which society depends — are, in the extreme, a

burden on efficiency and productivity. Governments, regardless of level, have to work hard to restrain them if they want to assure the growth, wealth and improvement in the standard of living upon which our society depends and upon which the social programs and health care and education depend.

[1140]

I would say, to wrap up: while we appreciate very much the efforts of the federal government to provide tax relief, they are small compared to what this government has done. British Columbia cannot carry the entire burden for our citizens. I, at least, would hope that the federal government would ponder further what we've done in comparison to what they've done and would help carry a greater share of the burden in the future.

**Hon. R. Neufeld:** It gives me great pleasure to stand today in support of our budget, which we tabled in the House and which is being debated in this House by members of the government. In fact, everyone is going to have an opportunity to speak to it, other than those who elect not to — which happens to be, I think, the opposition. They don't want to talk about a good budget. They've never been around a good budget, although they spent ten years in this House — dark days in British Columbia.

We are finally starting to see the light in B.C., with the second balanced budget in a row and a budget that will have a record \$1.7 billion debt repayment. I mean, that's absolutely amazing. From the period when we took office, to have a \$4 billion structural deficit and to get to a point in four short years that we have a budget that has a \$1.7 billion payment on the debt is unbelievable.

Actually, that's why, as the member talked about later, even eastern Canada is starting to wake up that B.C. is back and that B.C. means business. We're here to stay, and we're going to bring this province back to what it was prior to the NDP getting into power. British Columbians want us to bring it back.

I want to go back a short period of time, because I think all of us need to be reminded once in a while of what took place. I have been in this Legislature now since 1991, elected. By the way, I'm going to run again and, hopefully, get elected again.

You know, when the socialists entered this place as government in 1991, there was a total debt — I'm going to use some round numbers — of about \$17 billion. It took from when British Columbia became a province to 1991 to actually accumulate \$17 billion in debt. It took the socialists ten years to double it — and nothing to show for it, absolutely nothing to show for it at the end of the decade. They came here and just shovelled it off a truck as fast as they possibly could.

I want to make a comparison to a jurisdiction just a little bit east of us. We should remember that at that time, it was a golden decade for Canada. Some of the best growth and some of the best jobs that took place in Canada happened in that time frame — other than in British Columbia. At the same time that the NDP, or

the socialists, were driving up the debt, doubling it, our neighbours in Alberta were rubbing their hands, saying: "We love Glen Clark. He's our best economic driver. We love the Leader of the Opposition; she is our best economic driver." Businesses and people were actually leaving British Columbia and moving to Alberta.

In fact, I know that from where I come from in Peace River North, people who had been born and raised there and had businesses for 40 years moved to Grande Prairie. We were the biggest generator for Grande Prairie's growth in those ten years that Grande Prairie will ever see.

You know what? It is hard to pull that back. In fact, you just about can't pull it back. It's hard to get those businesses to come back to British Columbia, because they were booted out once, and they don't want to get booted out again.

What Mr. Klein was doing and what Alberta was doing was looking at their debt. Guess what. They actually looked at the private sector. They actually looked at development, jobs, people and growing their province, and in almost the same time frame that it took the NDP — or the socialists, I should say — to double the debt in British Columbia, the Alberta government eliminated theirs. Now, that's just how amazing it is.

[1145]

When the socialists talk about, "All it is, is commodity prices and those kinds of things that are driving our economy," they are so far out to lunch that it isn't funny. What we experienced in the dark decade of the nineties, where we doubled our debt in British Columbia under socialist rule.... Under the Ralph Klein government in Alberta, they actually almost eliminated it, and I believe they have now eliminated it.

What a contrast. That's not British Columbia to Ontario. That's British Columbia.... The last I checked, our border is right there with Alberta. They took advantage of what the socialists were doing here and did a remarkable job of it. Now what we're seeing is that although not all the businesses are coming back, not all the corporations, the Finnings of the world.... I mean, Finning is a huge company, but it left Vancouver — had been there for I don't know how many years. Their head office in Vancouver was moved to Edmonton and Calgary, because they were invited to go there during the 1990s. There were all kinds of businesses that did that.

What we're seeing are some of our young people coming back — in-migration. We had out-migration with the NDP. People moved out of the province. British Columbians moved to other parts of Canada, because there were opportunities in other parts of Canada.

They're starting to come back. We're now seeing in the last few years some 6,000 people in-migrating back to British Columbia. That's good news. What we have to do is continue to work on those businesses and those corporations that, unfortunately, left the province. I said that will be a little harder to do, but let me tell you:

under the leadership of our Premier, we are trying as hard as we possibly can to make sure that happens.

I don't know how you couldn't take any part of this budget and say it isn't good news. There is just every part of this budget.... It touches everyone in this whole province, whether you're a senior, whether you're a person with disabilities, whether you're in business, whether you're working, whether you have a family — whatever you're doing. If you have kids in school, if you have kids in university — the budget touches every person in British Columbia. It touches every person in a positive way.

This is a different approach than the socialists had. They touched every person in the province, but mostly in a negative way, other than their friends and insiders.

The time has come where we start reducing taxes for those that are in what we would call the modest or lower-income bracket. The Minister of Finance, when he stood up and talked about that, actually eliminated or reduced — to use the correct language — taxes for up to 730,000 British Columbians. That's absolutely amazing. Those people at the lower end of the spectrum will pay no B.C. taxes at all. As the member that spoke just before me said about the federal government, they're getting there. They've got a way to go. But it would be nice if they matched what we did in British Columbia.

We also have other tax reductions that are taking place for those folks that make about \$80,000 a year or less. This was always a problem in British Columbia, because the socialists thought that how you get more money is you just tax people more, and you tax people more, and you tax companies more. We saw what happened. People left.

A lot of highly trained people, tradespeople, left. They went to Alberta. They work in Fort McMurray. They work in Edmonton. They work in Calgary. Let me tell you: a whole bunch of British Columbians work in those centres because they have lower personal income taxes, even for the higher brackets.

Well, our Finance minister saw his way clear to actually work with the budgets that we've had in the past and have taxes in British Columbia, for those making \$80,000 and less, the lowest across the country — the absolute lowest across the country. That's good news. It doesn't matter whether you were making maybe \$20,000, \$30,000 or \$40,000 or whether you are making \$80,000. You are paying the least taxes here in British Columbia that you would in any jurisdiction across the country.

[1150]

You know, it just goes on and on and on. Improved MSP premium assistance — those making \$20,000 or less will pay absolutely no premiums. That's good news. Those earning up to \$28,000 will pay lower premiums. It just goes on and on.

Community infrastructure and safety. I'm sure we'll hear some more about what happens there in a while. There's \$207 million for municipal and regional infrastructure across British Columbia. That's a lot of money to spend on infrastructure across the province. That not

only creates jobs but creates safe communities and communities that people want to live in and move to. Heaven only knows we want to build that up so we can get people moving back to the northwest, to the northeast, to Vancouver, to British Columbia, to Vancouver Island. To do that, we have to invest in some of those structures.

Almost \$100 million — \$95 million — returned in traffic fine revenue to municipalities across the province. That's astounding. That was a promise our Premier made and we kept. Our communities — I know the communities that I represent — that got money back were certainly pleased with it and will put it to very good work doing the things they should with community policing, crime prevention and all those good things everyone wants us to do. Actually, preventing it is the good thing — not the crime.

**Hon. R. Coleman:** That's right.

**Hon. R. Neufeld:** I should get that right — right, Solicitor General?

Anyhow, those communities are certainly pleased about that.

As well, \$122 million to add another 215 RCMP officers across the province is a promise our Premier made that he's keeping and that we want to move forward with. We deal with crime in a real way.

**Hon. R. Coleman:** Biggest increase in two decades.

**Hon. R. Neufeld:** Biggest increase in two decades, I'm reminded. That's phenomenal. That says we recognize, I believe, that there is a problem. We recognize that through good planning and the power of a good economy, you can actually respond to it and try to deal with it as best you possibly can.

Education. You constantly hear the socialists talk about how we cut education. Yet we've increased the funding for education far more per student in the province in four short years than they ever did in ten — than they ever thought of doing in ten. It's that ninth commandment that they have a slight memory loss about most of the time. We have increased funding for education, and we have to. We want the best-trained people across the spectrum in all of Canada, and you can only do that by having a first-class education sys-

tem. I know our Education minister is really keen about doing those kinds of things.

Post-secondary education is very important also — training people and doing the things we have to do. Post-secondary education will receive funding — 25,000 new spaces across the province.

I can tell you about a personal experience in my constituency in Fort St. John. The Ministry of Advanced Education has committed \$6 million to a centre of excellence for oil and gas. You know what happened? When you have an industry that's happy, that's working well.... Guess what. They ponied up \$6 million. They matched dollar for dollar in Fort St. John to build a \$12 million facility for post-secondary education to train our young people so that they can actually access and get work in the oil and gas industry. I think that is phenomenal.

Literacy and arts received \$25 million. I've received quite a number of letters thanking us, our Finance minister and our Premier for actually looking at that and increasing the funding for that particular thing.

I think all of us in this House actually agree with that. That's a great thing to do. I know that in my communities it's important. There is a group of people who — bless their souls — work very hard and within budgets to make sure that we get the things we should get in those northern communities. I'm sure it's the same for the member from the northwest.

Noting the hour, I'd like to adjourn the debate. I really look forward to coming back just after question period to talk a little bit more about the history of the socialists in the province and how well we are doing in the first four years of our administration.

Hon. R. Neufeld moved adjournment of debate.

Motion approved.

Hon. R. Coleman moved adjournment of the House.

Motion approved.

**Deputy Speaker:** The House stands adjourned until 2 o'clock this afternoon.

The House adjourned at 11:55 a.m.