



**PREMIER OF SASKATCHEWAN**

**LEGISLATIVE BUILDING  
REGINA CANADA S4S 0B3**

**State of the Province Address  
Greater Saskatoon Chamber of Commerce Luncheon  
Saskatoon Travelodge Hotel  
Saskatoon, February 19, 2008  
Premier Brad Wall's Address  
(Check against delivery)**

I am here to say with pride, on behalf of our great province, that the state of the province of Saskatchewan is strong – stronger perhaps than it has ever been in the history of Saskatchewan.

A few years ago, a man by the name of Malcolm Gladwell wrote a groundbreaking book about change. It's called *The Tipping Point*. Gladwell borrowed this title from doctors who study epidemics and how they start, how they spread and how they die out. In medical terms, the tipping point is that moment in time when a virus reaches a critical mass. But according to Gladwell, you can expand the concept to social situations and social developments. It is that moment in time when one idea takes hold and suddenly begins to spread through a population like wildfire.

He writes, "*It's that moment on the graph when the line starts to shoot straight upwards.*"

So today, here at the Travelodge in Saskatoon, I ask you to ponder this question: Is our Saskatchewan economy, is our province, and is our collective attitude at a tipping point? You know, we never see things with great clarity when we're in the middle of those things.

But I believe in 20 years from now, we will look back at this year and say that Saskatchewan was indeed at a tipping point.

I ask you to look at the evidence. Today, we are releasing a new Economic Checklist for our province. We think the Chamber and others will be very interested.

Saskatchewan has everything we need to be one of the strongest economies in Canada on a permanent basis. So our goal should be to consistently out-perform the national average in all of the key economic indicators.

So how are we doing right now?

Well, the answer is pretty good.

We are ahead of the national average in nine of the 10 categories on this checklist. In fact, we are leading the country in six of them.

In income growth, we are number one in Canada.

In wholesale trade growth, we are number one in Canada.

In retail sales growth, we are number one in Canada.

In overall construction growth, we are number one in Canada.

In residential construction growth we are number one in Canada.

In new vehicle sales we are number one in Canada.

In football, number one in Canada.

In population growth, we are second in the country.

In economic growth, we are third according to the previous year.

In the unemployment rate, we are third.

The Chartered banks are weighing in right now as to next year and they are saying that Saskatchewan will not be second, we will not be third, rather, in 2008, we will be number one in the country in economic growth.

But, there is an area where we are lagging behind -- it is in employment growth. That is more of a population problem than a jobs problem. Let me come back to that in a moment because it speaks to the need for all of us in the province to be planning for growth and dealing with the challenges that come with growth.

Still, by any reasonable measure, Saskatchewan is on a roll economically, we are out-performing the national average, and we are out-performing other provinces.

Here are some fundamental questions:

How do we sustain the momentum? How do we keep it going? Will the momentum last?

Or is the Saskatchewan economy more like a gopher? Is it going to stick its head out, sniff around and see what prosperity is like and jump back down into the hole where it's dark but safe?

We are, in the view of the new government, clearly at a tipping point for this province that we love, and it could go either way in the months, in the years and in the quarters ahead.

I believe this because I still hear the voices and I still read the letters to the editor of those who do not want growth, of those who think growth is a bad thing. Those are letters and calls that highlight the challenges of prosperity; they talk about traffic jams, the housing markets being too high, and commodity prices going so high that farmers will wear out the land.

I want to tell you very clearly that this new government recognizes and understands the challenges of growth and the need to deal with them. We understand the need to partner with municipalities to deal with these challenges.

But I also want to be very clear: our new government does not share the view that growth is a bad thing.

Our government, our Cabinet and our Caucus has a bias and that bias is in favour of growth – in favour of sustained growth. In fact, we believe growth is our only option if we are going to pay for a better health care system, if we are going to shorten wait times, and if we are going to hire more nurses.

If we are going to have better diagnostics in the province it is going to take a tax base – a growing tax base – because health care costs rise at nine per cent each year.

If we are going to hire those front line workers in health care and pay for them we are going to need to grow.

If we want to make sure post-secondary education is affordable in the province, because the province has made some long term investments, we need the province to grow.

If we're going to fix the highways and have the infrastructure to meet future needs, we need to continue to grow.

If we're going deal with the cost of education in some other fashion than on your property tax bill, we are going to have to come up with the money from somewhere, so therefore, we need to continue to grow.

We need to be pursuing what growth can provide, which is a virtuous cycle not without its challenges, but it's a virtuous cycle where there are more people moving into Saskatchewan and as a result there are more taxpayers to pay for quality of life issues, which in turn attracts more people.

That said, there are challenges related to growth that we had better be prepared to deal with.

Former Alberta Premier Peter Lougheed has admitted lately that the pace of growth in Alberta may have been more than the economy or the infrastructure there could handle.

We are in a very unique position in our province to work to sustain the growth, but also to learn from the lessons next door. We can ensure that we are working with those on the front lines of the infrastructure issue to try to deal in advance with the pressures of growth. That is why our new government is committed to an aggressive infrastructure agenda for Saskatchewan.

One part of that agenda was announced here in Saskatoon a month prior to the election. It is the creation of the Saskatchewan Infrastructure Growth Initiative. We will deliver on that promise.

It is a commitment of \$300 million dollars of partnership help over four years of a new government to work with municipalities to provide residential, commercial and industrial lots. Small communities especially are going to need support from government so this lot development doesn't come at the expense of other infrastructure investment initiatives.

You all know there is growth in Saskatoon, but there is also significant growth in Swift Current. In my home town they had a lot draw – there were 19 lots available and 100 people showed up.

There is a shortage of lots in Humboldt and in Moosomin. Small communities in south east Saskatchewan also need new homes and new lots. Municipalities need that help as do smaller communities around Saskatoon that are very much a part of this economy.

You will see our government focus on infrastructure like no government before us has focused on the issue. We'll focus on revenue sharing and specific partnerships with municipalities and the federal government on key infrastructure initiatives that we hope to be talking about in the near future.

And we better focus on it because there is a deficit in terms of the infrastructure in this province. We are finding as we do inventory that we have inherited a significant infrastructure deficit when it comes to health care and education facilities (including the public, separate and post-secondary systems) around the province.

You will see from our government we are not ideologically limited to the way we fund these projects in the future. We will be open to public-private partnerships. We will be open to partnerships with other members of the public sector, with the municipal sector, with federal government and with the private sector.

We are going to be interested in results in dealing with this infrastructure deficit, not ideologically handcuffed by pursuing it only in the ways the Government of Saskatchewan has pursued it in the past.

We are going to be inheriting – and this is not a criticism of the previous government, it is this way across the country – a transportation infrastructure deficit. We have highlighted a plan to help municipalities deal with that, with some specific ideas around transportation.

You know that the previous government privatized the oil upgrader and said that the \$400 million dollars of those proceeds would be going to an environmental fund.

We are going to change that.

We are going to put some of that money to environmental initiatives and we are going to pay off the debt with about \$250 million dollars of those proceeds. We should be taking this time to pay off the debt in this province.

We are also going to invest about \$140 million dollars in very key transportation infrastructure initiatives in the province. The government needs to be planning for this growth proactively and working with municipalities.

We also need to be sustaining the economic growth momentum that we see in the province.

We have already introduced legislation to create Enterprise Saskatchewan, whose job it will be to take the politics out of economic development. It will lean on the stakeholders in economic development; labour, business, post-secondary education, municipal government, and First Nations.

All the sectors of the economy will come together at a table to identify, sector by sector, what is holding us back so the government can have that inventory and can act on it.

Enterprise Saskatchewan is also an opportunity to take the politics out of economic development that has too often plagued this province, notwithstanding who has been in office here. That is part of a sustained growth agenda.

We need to ensure that our labour legislative environment in the province is competitive and our government is committed to that. That is also part of an agenda for sustained growth.

We introduced legislation that creates a labour legislative environment in the province that is simply competitive. It is fair to employers, fair to employees, fair to unions, but competitive with other jurisdictions. We are going to be looking for support because there are those who strongly oppose any change at all.

In this government they will see we are committed to common sense changes, committed to being competitive. We say yes to collective bargaining, yes to an atmosphere where that collective bargaining process can take place, but where we are competitive with other jurisdictions and we are fair to those who created the jobs and understand they need to be respected in the labour legislative environment. We will be passing essential services legislation this spring on that count.

In order to have sustained growth we are also going to have to continue to develop the natural resource wealth of this province which would make most nations envious. It really would.

Consider the inventory: we have half the arable acres in the country at a time when the world is starting to pay for cereal grains, for pulse crops, and when there are new opportunities for value added in agriculture. We have an opportunity to see agriculture continue to enjoy the momentum of the past couple of years and to see that continue in the future.

In oil and gas, consider the assets of the province: we have the Bakken play in southeast Saskatchewan. The industry has known it was there for about 50 years, but the technology was lacking to properly develop it. That has changed. There is overwhelming interest in the Bakken play from Alberta and international players.

There are also the oil sands in the northwest part of the province. Our government will absolutely work with industry and First Nations to ensure they are developed in an environmentally sustainable way.

Within two months of being elected, Minister Bill Boyd and I went to Calgary. We went to give those in the hydrocarbon sector a couple of messages: that the new government in Saskatchewan was committed to a competitive and friendly business climate. Labour legislation is part of that, taxes are a part of that, competition from government is part of that, and the regulatory regime is a part of that.

We also told them that we believe innovation is a part of that and in this government they are going to find a willing partner in research and development. At the University of Regina's Petroleum Technology Research Centre, we

committed to some extra funding in the campaign and we are going to keep that promise because enhanced oil recovery truly is the answer.

Consider this, 75 per cent of the oil in place is not recoverable right now. If we could increase oil production in Saskatchewan by just five per cent, with what is unrecoverable we would double production in the province – that is how important research and development is and will be.

We announced with as much clarity as I could muster that the new government would not be changing the royalty structure in the province of Saskatchewan. There are not many opportunities for a politician to go in to a room and say we are going to be doing absolutely nothing and get a round of applause – twice. But that is exactly what happened and those messages were important to get out. The results are speaking for themselves, in part because we got that message out as quickly as we could.

Based on the environment in Calgary and the political environment there, we have seen oil and gas and land sales records set just last week.

The previous record for land sales in the province of Saskatchewan was \$85 million dollars. These most recent sales just didn't break the record, they blew the record away. They smashed the record with \$197 million dollars. Groups like Crescent Point Energy Trust in Calgary were saying when this news was released last week that it is a clear vote of confidence in both the industry as well as the government.

What this means is we are keeping the momentum and we are continuing to create jobs and attract investment in this important sector.

Then there is uranium. Another reason we should be very bullish that we get the tipping point right.

Saskatchewan is the world's largest producer of uranium. We are the Saudi Arabia of uranium, accounting for 26 per cent of the world's production.

Yet the next ounce of yellow cake we refine or enrich or add any value to will be the first.

The new government believes that has to change if we are going to sustain growth. We need to be a leader in research and development. We need to look at value added opportunities in uranium as a power source now or in the future. We ought to be open to that and be having that discussion and we will through Enterprise Saskatchewan.

Potash is another reason for hope in terms of sustaining this current economic momentum. The amount of expansion that has been announced is amazing, it is breathtaking.

After the election, the Potash Corporation of Saskatchewan announced a billion dollar expansion in Rocanville. There have been billions more in terms of expansion announcements right across the province.

And now they are talking about new mines opening in Saskatchewan – a brand new Greenfield mine. I don't think they have talked about new potash mines in the province since Elvis was not only alive, but still thin.

So the state of the province is strong. But remember that portion of the economic check list that showed we were falling behind in employment growth? We are not just falling behind, we are tenth.

It is just counter-intuitive, with all this other good news, why would we be tenth?

It doesn't make a lot of sense. Look at the 'want' ads; look at the signs on the street. Just go to SaskJobs.ca where you can find close to 7,000 jobs almost every day. Our unemployment rate is one of the lowest in the country. That statistic alone is proof of our labour shortage. The problem is we have a people shortage as well.

We are going to have to do a better job of engaging First Nations people in the economy. They have structural unemployment at a time of a labour shortage. You can expect more from your government on that front; we will be working with First Nations.

We also need to do better on immigration. We have fallen behind almost the entire country when it comes to our performance with respect to immigration, and attracting new citizens. We know that prairie provinces can be in the game, because Manitoba is in the game and have been there for some time. Immigration Minister Rob Norris will be making announcements and some important changes to get us to where we need to be on that front.

These are some of the things that our government wants to achieve both to sustain the growth and to learn about the challenges of growth from next door and to deal with them.

But I also believe that governments do not drive economies. Governments do not drive growth. You do!

Malcolm Gladwell defined the tipping point as that time when an accumulation of small things over a compressed period start to make big change possible. He talks about the tipping point being the point at which an idea takes hold and begins to spread through an entire population.



Today in Saskatchewan, there is a contagious optimism sweeping our province. I certainly feel it every time I come to Saskatoon. Optimism is contagious. A positive attitude is contagious. Success is contagious. And you are all carriers.

So I just want to say thank you for that. I want to also encourage you to continue do that – to have that enthusiasm and that optimism for growth, notwithstanding the reality of the challenges we will face together.

And we will together ensure that this is the tipping point for Saskatchewan. We will all look back and realize that we made the right choices. We chose growth, sustainable growth, and we made the tipping point for the great benefit of future generations.

I like this new Saskatchewan that simply doesn't accept mediocrity.

I want for my kids and yours, and for the students in this city at the University of Saskatchewan and at Kelsey, I want this new Saskatchewan that rejects the nonsense of the past that says when we lose people to other provinces there is more for the rest of us.

I want for them the Saskatchewan that will move heaven and earth to help them find the opportunity so they can stay here.

I am excited about a new Saskatchewan with all this natural resource wealth that is committed to developing it in a sustainable way and committed to ensuring there is value added opportunities in uranium and all these other resources.

I like this new Saskatchewan that says it is not ideologically hung up on who owns the MRIs, but is more interested in reducing the wait times for the MRIs in the province of Saskatchewan.

I like this new Saskatchewan that wants to grow, that wants to lead the country. I like this new Saskatchewan that no longer believes that a 9 and 9 season and a play-off loss is a successful season. I like the Grey Cups. I like Vanier Cups. And I think increasingly that is where people are at right across this province and so we have some work to do.

There is work to do in ensuring we are increasingly competitive in attracting more people to the province and making the right investments long-term on infrastructure.

Let's resolve to do those things today. Let's resolve that history will record that during this crucial moment in Saskatchewan history that we did what was needed to tip the balance in favour of future generations.

I am excited about the state of the province of Saskatchewan. This government is going to work hard. We are going to do our very best.

We are absolutely committed to doing what it takes, so that 10 years from today, when the Premier comes to the Greater Saskatoon Chamber of Commerce and makes the State of Province address, that he or she will be able to say, the state of our province is strong – stronger perhaps than it has ever been.

Thank you.

And God bless our province.

## Saskatchewan Economic Checklist February, 2008

Economic Indicator	Values	Year-over-year % Growth	Canadian Average (%)	Rank in Canada % Growth
Population	1,003,299	1.5	1.0	2 <sup>nd</sup>
Average Economic Growth (GDP) 2007	--	4.1	2.6	3 <sup>rd</sup>
Average Weekly Earnings	\$714.24	6.9	3.7	1 <sup>st</sup>
Unemployment Rate	--	4.5	6.3	3 <sup>rd</sup>
Number of People Employed	496,000	0.5	2.1	10 <sup>th</sup>
Wholesale Trade	\$1.2B	14.4	5.1	1 <sup>st</sup>
Retail Sales	\$1.1B	17.1	6.7	1 <sup>st</sup>
Construction Overall Building Permits*	\$1.6B	42.3	12.1	1 <sup>st</sup>
Construction Residential Building Permits*	\$895.5M	74.2	11.0	1 <sup>st</sup>
New Vehicle Sales	4,078	13.1	-6.2	1 <sup>st</sup>

\*Annual Growth Rate

Figures are as of February 15, 2008 – and except where indicated are the most recent monthly statistics available.

For more information, see Statistics Canada at [www.statcan.ca](http://www.statcan.ca)  
and the Saskatchewan Bureau of Statistics at [www.stats.gov.sk.ca](http://www.stats.gov.sk.ca)



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